

**CHARTER OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS OF DERMIRA, INC.**

**As adopted on September 9, 2014 and amended on September 19, 2016**

**I. PURPOSE**

The Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of **DERMIRA, INC.** (the “*Company*”), through delegation from the Board, has principal responsibility to evaluate, recommend, approve and review executive officer and director compensation arrangements, plans, policies and programs maintained by the Company, and to administer the Company’s cash-based and equity-based compensation plans. The Committee may also make recommendations to the Board regarding any other Board responsibilities relating to executive compensation.

This charter (the “*Charter*”) sets forth the authority and responsibility of the Committee for evaluating, recommending and approving the Company’s Executive Officer (as defined below) and director compensation arrangements, plans, policies and programs maintained by the Company, and for administering the Company’s cash-based and equity-based compensation plans and arrangements for employees generally, whether adopted prior to or after the date of adoption of this Charter (including issuance of stock options and other equity-based awards, whether or not granted pursuant to a plan).

**II. MEMBERSHIP**

The Committee will consist of two or more members of the Board, with the exact number determined from time to time by the Board. Each member of the Committee will:

- be an “independent director” as defined under the applicable rules, regulations and listing requirements of The NASDAQ Stock Market, as amended from time to time (the “*Exchange Rules*”), except as may otherwise be permitted by such Exchange Rules;
- be “independent” as defined in any other rules and regulations (“*Commission Rules*”) promulgated by the Securities and Exchange Commission (the “*Commission*”) under Section 10C of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), except as may otherwise be permitted by Commission Rules;
- be a “non-employee director,” as defined in Rule 16b-3 under Section 16 of the Exchange Act;
- be an “outside director” under Regulation Section 1.162-27 promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended;
- be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member; and
- meet any other requirements imposed by applicable law, regulations or rules, subject to any applicable exemptions and transition provisions.

In connection with appointing or continuing the membership of each director serving on the Committee, when affirmatively determining the independence of such member, the Board will consider all factors specifically relevant to determining whether such director has a relationship to the Company which is material to that director’s ability to be independent from management in connection with the duties of a member of the Committee, including, at a minimum:

- the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director, including whether the director

receives compensation from any person or entity that would impair his ability to make independent judgments about the Company's executive compensation; and

- whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company, including whether the affiliate relationship places the director under the direct or indirect control of the Company or its senior management, or creates a direct relationship between the director and members of senior management, in each case of a nature that would impair his ability to make independent judgments about the Company's executive compensation.

Committee members and a chairperson of the Committee (the "**Chair**") will be appointed by, and will serve at the discretion of, the Board, taking into consideration the recommendations of the Nominating and Corporate Governance Committee of the Board. If the Board does not appoint a Chair, the Committee members may designate a Chair by their majority vote. The Chair will set the agenda for and conduct the proceedings of Committee meetings.

### **III. RESPONSIBILITIES AND DUTIES**

The principal responsibilities and duties of the Committee in serving the purposes outlined in Section I of this Charter are set forth below. These duties are set forth as a guide, with the understanding that the Committee will carry them out in a manner that is appropriate given the Company's needs and circumstances. The Committee may engage in such other activities, and establish such policies and procedures, from time to time as it deems necessary or advisable in implementing this Charter.

The Committee will:

1. **Compensation strategy.** Annually review the Company's overall compensation strategy, including base salary, incentive compensation, long-term incentive compensation and equity-based grants, to assure that it promotes stockholder interests and supports the Company's strategic and tactical objectives, and that it provides for appropriate rewards and incentives for the Company's management and employees.
2. **Corporate goals.** Annually review and approve the goals and objectives to be considered in determining the compensation of the Company's Chief Executive Officer (the "**CEO**") and other "executive officers" as defined under Rule 3b-7 and "officers" as defined under Rule 16a-1(f) promulgated under the Exchange Act (collectively with the CEO, the "**Executive Officers**").
3. **Executive compensation and performance evaluations.** Annually evaluate the performance of Executive Officers and evaluate executive compensation based on factors determined relevant by the Committee, which may include, among others:
  - the level of achievement of the goals and objectives approved by the Committee;
  - the Company's performance;
  - if and when applicable to the Company, the results of the most recent stockholder vote on executive compensation (a "say on pay" vote);
  - consistency with the Company's compensation strategy;
  - internal equity considerations;
  - competitive practices (including the selection of peer companies used for compensation analysis);
  - potential pay-outs in the event of retirement, termination (other than in a change in control transaction), and severance in connection with a change in control transaction, under a range of economic scenarios;

- recommendations of the Board with respect to the compensation of any of the Executive Officers;
- with respect to non-CEO Executive Officers, recommendations of the CEO; and
- applicable legal, accounting and regulatory considerations.

The CEO may not be present during voting or deliberations regarding the CEO's compensation.

The Committee will have the sole authority:

- (i) to review and make recommendations to the Board respecting (a) the salary paid to the CEO, (b) the grant of all cash-based incentive compensation and equity-based compensation to the CEO, (c) the entering into or amendment or extension of any offer letter, employment contract or similar arrangement with the CEO, (d) the entering into or amendment or extension of any CEO severance or change in control arrangements, and (e) any other CEO compensation matters; and
- (ii) subject to any approval by the Board which the Committee or legal counsel determines to be desirable or is required by applicable law or the Exchange Rules, to make decisions respecting (a) the salary paid to the Executive Officers other than the CEO, (b) the grant of all cash-based incentive compensation and equity-based compensation to the Executive Officers other than the CEO, (c) the entering into or amendment or extension of any offer letter, employment contract or similar arrangement with the Executive Officers other than the CEO, (d) the entering into or amendment or extension of any severance or change in control arrangements applicable to the Executive Officers other than the CEO, and (e) any other compensation matters applicable to the Executive Officers other than the CEO.

#### 4. *Incentive compensation plans.*

(a) *Annual review and recommendations.* Annually (i) meet with the CEO to discuss the incentive compensation programs to be in effect for the other Executive Officers and for other employees of the Company or any Company subsidiary for such fiscal year, and the corporate goals and objectives relevant to those programs and performance targets applicable to the Executive Officers and, where appropriate, other employees of the Company or any subsidiary; and (ii) review and approve or make recommendations to the Board (subject to stockholder approval where required) with respect to adoption and approval of, or amendments to, (a) all cash-based and equity-based incentive compensation plans and arrangements, and the cash amounts and aggregate numbers of shares reserved for issuance thereunder, after taking into consideration the Company's strategies with respect to cash-based and equity-based compensation, and (b) any company-wide severance arrangements or policies and any change in control agreements or provisions.

(b) *Administration.* Administer and interpret the Company's cash-based and equity-based compensation plans and agreements thereunder, including establishing parameters for delegated authority to issue equity awards.

(c) *Equity Awards Committee.* The Committee may adopt an equity awards policy and delegate to the CEO, including in conjunction with one or more officers (the "**Equity Awards Committee**"), within the limits imposed by such policy and applicable law and the Exchange Rules, the authority to approve cash awards or make equity grants to employees of the Company or of any subsidiary of the Company who are not Executive Officers or directors of the Company, provided that in the case of grants of options or stock appreciation rights, the price per share of any grant by the Equity Awards Committee is no less than the fair market value of the Company's common stock on the date of grant. The Equity Awards Committee will provide the Committee with a list of equity grants made by the

EAC at the Committee's regularly scheduled meetings.

5. ***Deferred compensation plans.*** Administer and, if deemed necessary, amend the Company's 401(k) plan and any deferred compensation plans (collectively, the "***Designated Plans***"), and, if desired, delegate the routine administration of the Designated Plans to an administrative committee consisting of employees of the Company named by the Committee.

6. ***Perquisites and expenses.*** Review and approve policies and procedures relating to perquisites and expense accounts of Executive Officers.

7. ***Non-employee director compensation.*** Recommend to the Board, for determination by the Board, the form and amount of cash-based and equity-based compensation to be paid or awarded to the Company's non-employee directors, including compensation for service on the Board or on committees of the Board.

8. ***Compensation-related risks.*** Review with management the Company's major compensation-related risk exposures and the steps management has taken to monitor or mitigate such exposures.

9. ***Regulatory and governance matters.***

(a) ***Say on pay votes.*** If and when applicable to the Company, consider and make recommendations to the Board regarding the frequency with which stockholder "say on pay" votes should occur, including whether to make any such recommendation at all regarding the frequency of such votes. Following any such "say on pay" frequency vote (i.e., prior to the promulgation of the Company's next annual meeting proxy statement), make recommendations to the Board regarding the frequency with which "say on pay" votes shall be included in the Company's proxy statements pending the next such "say on pay" frequency vote.

(b) ***Exchange Act filings.*** For so long as the Company is subject to the periodic reporting requirements of the Exchange Act and, if applicable to the Company: (i) review and discuss (A) the Compensation Discussion and Analysis disclosure and any disclosure in the annual reports or the proxy statements for the Company's annual meetings regarding the Company's compensation policies and practices as they relate to its risk management prepared in response to the requirement of Item 402(b) and (s) of Regulation S-K, (B) the narrative disclosure related to compensation consultants in determining or recommending the amount or form of executive and director compensation and the disclosure regarding any such consultant whose work has raised any conflict of interest in response to the requirements of Item 407(e)(3)(iii) and (iv) of Regulation S-K (or any successor disclosure items), and (C) any other "say on pay" voting material to be included in the proxy statement, (ii) based on such review and discussion, recommend to the Board whether such disclosure should be included in the Company's annual report on Form 10-K, proxy statement, information statement or similar document, and (iii) prepare a report of the Committee for inclusion in the annual report or the proxy statement for the Company's annual meeting in accordance with the rules and regulations of the Commission.

(c) ***Stockholder proposals.*** The Committee shall review and make recommendations with respect to stockholder proposals related to compensation matters.

(d) ***Compliance.*** Oversee the Company's compliance with regulatory requirements associated with compensation of its directors, officers and employees.

(e) ***Clawback policy.*** Consider and, if determined to be appropriate, make recommendations to the Board regarding adoption of a Company policy regarding recovery of incentive-based compensation that is based on financial information required to be reported under the Exchange Act (or

other federal securities laws) following restatement of such financial information.

(f) *Employee loans.* Periodically review the Company's procedures with respect to employee loans. The Committee will not approve any arrangement in which the Company, directly or indirectly, extends or maintains credit, arranges for the extension of credit or renews an extension of credit, in the form of a personal loan to or for any director or Executive Officer (or equivalent thereof) of the Company. The Committee will assist the Board and management of the Company in complying with this prohibition.

10. *Other matters.* Perform any other activities required by applicable law, rules or regulations, including the Exchange Rules and rules and regulations of the Commission, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate consistent with its purpose.

#### **IV. STUDIES AND ADVISERS**

The Committee may conduct or authorize studies of, or investigations into, matters within the Committee's scope of responsibility, with full access to all books, records, facilities and personnel of the Company. The Committee has the sole authority and right, at the Company's expense, to retain compensation and other consultants, legal counsel, accountants, experts and advisers of its choice to assist the Committee in connection with its functions, including any studies or investigations, and shall have direct oversight of the work performed by such advisers. In connection with the retention of such advisers (other than in-house legal counsel), the Committee shall consider the factors related to the independence of such advisers, including with respect to each such adviser (or the adviser's employer): (1) the provision of other services to the Company by such adviser (or their employer); (2) the amount of fees received from the Company, as a percentage of the total revenue of such adviser (or their employer); (3) the policies and procedures of such adviser (or their employer) that are designed to prevent conflicts of interest; (4) any business or personal relationship of such adviser (or their employer) with a member of the Committee or an Executive Officer; (5) any shares of Company capital stock or other Company securities owned by such adviser (or their employer); and (6) such other factors as the Committee deems relevant or may be required from time to time by Commission Rules or Exchange Rules; provided that nothing herein requires that compensation advisers must be independent – rather that the enumerated independence factors be considered before selecting or otherwise receiving advice from such an adviser.

The Committee will have the sole authority to approve the fees and other retention terms of such advisers and to oversee the establishment of guidelines and procedures related to the accrual and accounting of such compensation and expenses. The Company will provide for appropriate funding, as determined by the Committee, for:

- payment of compensation to any legal counsel, compensation and other consultants, accountants, experts and advisers retained by the Committee;
- ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its functions; and
- the commission of any necessary studies or surveys concerning the levels of executive compensation payable in the industry in which the Company is engaged and in other related industries or obtaining recommendations from outside/independent consultants concerning comparable compensation programs.

Irrespective of the retention of compensation and other consultants, legal counsel, accountants, experts and advisers to assist the Committee, the Committee shall exercise its own judgment in fulfillment of its functions.

## **V. MEETINGS, ACTIONS WITHOUT A MEETING AND STAFF**

The Committee will meet at least twice per year or more frequently, as determined appropriate by the Committee. The Chair, in consultation with the other member(s) of the Committee, will set the dates, times and places of such meetings. A quorum of the Committee for the transaction of business will be a majority of its members. Meetings may be held via telephonic- or video-conference. The Committee may also act by unanimous written consent in lieu of a meeting in accordance with the Company's Bylaws. Subject to the requirements of this Charter, applicable law, the Exchange Rules and the rules and regulations of the Commission, the Committee and the Chair may invite any director, executive or employee of the Company, or such other person, as it deems appropriate in order to carry out its responsibilities, to attend and participate (in a non-voting capacity) in all or a portion of any Committee meeting. The Committee may exclude from all or a portion of its meetings any person it deems appropriate in order to carry out its responsibilities. The Chair will designate a secretary for each meeting, who need not be a member of the Committee. The Secretary of the Company shall provide the Committee such staff support as it may require.

## **VI. MINUTES AND REPORTS**

The Committee will maintain written minutes of its meetings and copies of its actions by written consent, and will cause such minutes and copies of written consents to be filed with the minutes of the meetings of the Board. The Chair will report to the Board from time to time with respect to the activities of the Committee, including on significant matters related to the Committee's responsibilities and the Committee's deliberations and actions. The minutes of the Committee and actions by the unanimous written consent of the Committee members will be made available to the other members of the Board.

## **VII. DELEGATION OF AUTHORITY**

The Committee may from time to time, as it deems appropriate and to the extent permitted under applicable law, the Exchange Rules and the Commission Rules, and the Company's Certificate of Incorporation and Bylaws, form and delegate authority to subcommittees.

## **VIII. COMPENSATION**

Members of the Committee will receive such fees, if any, for their service as Committee members as may be determined by the Board, which may include additional compensation for the Chair.

## **IX. REVIEW OF COMMITTEE COMPOSITION, PERFORMANCE AND CHARTER**

The Committee will evaluate the Committee's composition and performance on a periodic basis and submit a report to the Board. The Committee will also review and reassess the adequacy of this Charter periodically, and recommend to the Board any changes the Committee determines are appropriate.

## **X. PUBLICATION**

The Company shall make this Charter freely available to stockholders on request and, provided that the Company is subject to the periodic reporting requirements of the Exchange Act, shall publish it on the Company's website.

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