



Research and Development Committee Charter

Purpose

The Board of Directors (“Board”) of Intercept Pharmaceuticals, Inc. (“Intercept”) has created the Research and Development Committee (the “Committee”) to assist the Board in its oversight of Intercept’s strategic direction and investment in research and development, technology and manufacturing activities (“R&D”). The Committee is also responsible for identifying and discussing significant emerging trends and issues in science and technology and considering the potential impact of such on Intercept.

Composition

The Committee shall consist of three or more members designated by the Board and approved by a majority of the whole Board by resolution or resolutions. Unless a Chairperson is elected by the Board, the members of the Committee must designate a Chairperson by majority vote of the full Committee membership. Each member shall serve on the Committee until his or her resignation, retirement, or removal by majority vote of the Board or until his or her successor is appointed by the Board. At least one member of the Committee must be “independent” as independence is defined in accordance with the rules, regulations and standards of the NASDAQ Stock Market (“NASDAQ”), and as determined in the business judgement of the Board. Each member of the Committee shall have sufficient scientific and/or medical expertise to review and evaluate appropriately Intercept’s R&D programs.

Meetings

The Committee shall meet at least once annually, or more frequently as circumstances dictate. A majority of the Committee members shall be present to constitute a quorum. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee; decisions of the Committee shall be by majority decision of the Committee’s members present at the relevant meeting. In case of an equality of votes of the Committee members, the vote will fail.

The Committee will appoint a Secretary for each meeting. Minutes of each meeting will be kept and distributed to each member of the Committee. The Committee will report to the Board from time to time, or whenever so requested by the Board.

Authority

The Committee has the authority to look into any matter within its scope or responsibility. In particular, the Committee is empowered to seek any information it requires for external parties or employees – all of whom are required to cooperate with the Committee’s requests.



The Committee shall have the resources and authority to retain outside advisors as the Committee may deem appropriate. The Committee shall have authority to determine compensation for such advisors.

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee consisting of one or more members of the Committee.

Responsibilities

The Committee shall:

1. Identify and discuss new and emerging trends in health care, pharmaceutical science, technology, manufacturing and regulation, to assist Intercept in making well-informed choices in the investment of its R&D resources.
2. Review, evaluate and advise the Board regarding the quality, direction and competitiveness of Intercept's R&D programs.
3. Review, evaluate and advise the Board regarding Intercept's progress in achieving its long-term strategic R&D goals and objectives.
4. Review and make recommendations to the Board on Intercept's internal and external investments in science and technology and manufacturing. For any external investments in R&D (e.g. potential acquisitions, alliances, collaborations, equity investments, manufacturing, contracts and grants) that require approval by the full Board, the Committee shall provide the Board with its recommendation prior to the Board action unless time does not permit.
5. Regularly review Intercept's pipeline.
6. Evaluate its own performance annually and deliver a report to the Board setting forth the results of the evaluation.
7. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for its approval.
8. Perform any other activities consistent with this Charter, Intercept's bylaws and governing law or regulation, as the Committee or the Board deems necessary or appropriate.