

INTERCEPT PHARMACEUTICALS, INC.

COMPENSATION COMMITTEE CHARTER

(effective July 20, 2016)

I. PURPOSE

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Intercept Pharmaceuticals, Inc. (the “Corporation”) is:

1. To review and make recommendations to the Board relating to compensation and benefit policies generally of the Corporation’s directors, executive officers and key employees;
2. To assist the Board in establishing appropriate incentive compensation and equity-based plans and to administer such plans; and
3. To oversee the annual process of evaluation of the performance of the Corporation’s management; and
4. To perform such other duties and responsibilities as enumerated in and consistent with this Charter.

II. MEMBERSHIP AND PROCEDURES

A. Membership and Appointment

The Committee shall be comprised of not fewer than two members of the Board, as shall be determined from time to time by the Board. The members of the Committee shall be elected by the Board on the recommendation of the Nominating and Governance Committee at the annual organizational meeting of the Board, and shall hold office until their resignation or removal or until their successors shall be duly elected and qualified.

Except as otherwise permitted by the applicable NASDAQ rules, each member of the Compensation Committee shall be an “independent director” as defined by NASDAQ Marketplace Rule 5605(a)(2). In addition, in affirmatively determining the independence of any director who will serve on the Compensation Committee, the Board shall consider all factors specifically relevant to determining whether a director has a relationship to the Corporation which is material to that director’s ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to: (i) the source of compensation of the director, including any director, consulting, advisory or other compensatory fee paid by the Corporation to the director; and (ii) whether the director is affiliated with the Corporation, a subsidiary of the Corporation or an affiliate of a subsidiary of the Corporation. To the extent that the Board deems practicable and advisable, all members of the Committee shall also qualify

as “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and as “outside directors” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, as such standards and definitions may be revised or amended from time to time; provided, however, that notwithstanding anything contained herein to the contrary, if not all members of the Committee qualify as non-employee directors, any grant of equity compensation to directors and officers (as defined by Rule 16a-1(f) of the Exchange Act) shall be made by the full Board or a subcommittee of the Committee comprised of at least two members who qualify as non-employee directors.

B. Removal

The entire Committee or any individual Committee member may be removed without cause by the affirmative vote of a majority of the Board. Any Committee member may resign effective upon giving oral or written notice to the Chairman of the Board, the Secretary of the Corporation, or the Board (unless the notice specifies a later time for the effectiveness of such resignation). The Board may elect a successor to assume the available position on the Committee when the resignation becomes effective.

C. Chairperson

A chairperson of the Committee (the “Chairperson”) may be designated by the Board. In the absence of such designation, the members of the Committee may designate the Chairperson by majority vote of the full Committee membership. The Chairperson shall determine the agenda for and the length of meetings and shall have unlimited access to executive management and to information relating to the Committee’s purposes. The Chairperson shall establish such other rules as may from time to time be necessary and proper for the conduct of the business of the Committee.

D. Meetings, Minutes and Reporting

The Committee shall meet at least two times per year and at such other times as it deems necessary to carry out its responsibilities. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. The Committee may also act by unanimous written consent in lieu of a meeting.

The Committee shall keep full and complete minutes of the proceedings of the Committee. In addition to the specific matters set forth herein requiring reports by the Committee to the full Board, the Committee shall report such other significant matters as it deems necessary concerning its activities to the full Board. The Committee may appoint a Secretary whose duties and responsibilities shall be to keep records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. The Secretary need not be a member of the Committee or a director and shall have no membership or voting rights by virtue of the position.

E. Delegation

The Committee may, by resolution passed by a majority of the Committee members, designate one or more subcommittees, each subcommittee to consist of one or more members of the Committee. Any such subcommittee, to the extent provided in the resolutions of the Committee and to the extent not limited by applicable law, shall have and may exercise all the powers and authority of the Committee. Each subcommittee shall have such name as may be determined from time to time by resolution adopted by the Committee. Each subcommittee shall keep regular minutes of its meetings and report the same to the Committee or the Board when required.

F. Authority to Retain Advisors

In the course of its duties, the Committee shall have the sole authority and shall be directly responsible, at the Corporation's expense, to retain, obtain the advice of and terminate, compensation consultants, legal counsel, and other advisors, as the Committee deems advisable, including the sole authority to approve any such advisors' fees and other retention terms. The Committee shall be directly responsible for the oversight of the work of any such consultants, legal counsel or other advisors retained by the Committee. The Corporation shall also be responsible for providing appropriate funding for the payment of reasonable compensation, as determined by the Committee in its sole discretion, to any such advisor that is retained by the Committee. Before selecting or receiving advice from any compensation advisors, the Committee shall take into considerations all factors relevant to the advisor's (or its employer's) independence from the Corporation, its executive officers and the Committee, including the following six independence factors:

1. whether the advisor (or its employer) provides any other services to the Corporation;
2. how much the advisor (or its employer) has received in fees from the Corporation, as a percentage of that party's total revenue;
3. what policies and procedures have been adopted by the advisor (or its employer) to prevent conflicts of interest;
4. whether the advisor has any business or personal relationship with a member of the Committee;
5. whether the advisor owns any stock or other equity of the Corporation; and
6. whether the advisor (or its employer) has any business or personal relationship with an executive officer of the company.

III. DUTIES AND RESPONSIBILITIES

The following shall be recurring duties and responsibilities of the Committee in carrying out its purposes. These duties and responsibilities are set forth below as a guide to the Committee, with the understanding that the Committee may alter or supplement them as appropriate under the circumstances, to the extent permitted by applicable law.

1. Establish a compensation policy for executives designed to (i) enhance the success of the Corporation and increase stockholder value, (ii) reward executive officers for their contribution to the Corporation's growth and profitability, (iii) recognize individual initiative, leadership, achievement, and other contributions and (iv) provide competitive compensation that will attract and retain qualified executives.
2. Subject to variation where appropriate, the compensation policy for executive officers shall include (i) base salary, which shall be set on an annual or other periodic basis, (ii) annual or other time or project based incentive compensation, which shall be awarded for the achievement of predetermined financial, project, research or other designated objectives of the Corporation as a whole and of the executive officers individually and (iii) long-term incentive compensation in the forms of equity participation and other awards with the goal of aligning, where appropriate, the long-term interests of executive officers with those of the Corporation's stockholders and otherwise encouraging the achievement of superior results over an extended time period.
3. Review competitive practices and trends to determine the adequacy of the executive compensation program.
4. Review and consider participation and eligibility in the various components of the total executive compensation package.
5. Annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and review and approve (or, if it deems appropriate, make recommendations to the Board regarding) the CEO's compensation levels based on this evaluation; the CEO may not be present during any deliberations or voting with respect to the CEO's compensation.
6. Annually review and approve the individual and corporate goals and objectives relevant to the executive officers, evaluate the executive officers in light of those goals and objectives, and review and approve (or, if it deems appropriate, make recommendations to the Board regarding) the compensation of executive officers of the Corporation other than the CEO, based on this evaluation.
7. Annually review director compensation for service on the Board and Board committees and recommend any changes to the Board.
8. Monitor the compensation programs for directors to determine whether they are properly coordinated and achieving their intended purpose.

9. Review and approve (or, if it deems appropriate, make recommendations to the Board regarding) employment contracts, severance arrangements, change in control provisions and other agreements of executive officers, including reviewing and approving any payments, compensation or other awards under such agreements and arrangements.
10. Review and approve (or, if it deems appropriate, make recommendations to the Board regarding) cash incentives and deferred compensation plans for executives (including any modification to such plans) and oversight of performance objectives and funding for executive incentive plans.
11. Administer the equity incentive plans of the Corporation.
12. Approve and oversee reimbursement policies for directors and executive officers.
13. Review matters relating to management succession, including, but not limited to, compensation.
14. Oversee compensation programs involving the use of the Corporation's stock.
15. If the Corporation is required by applicable SEC rules to include a Compensation Discussion and Analysis ("CD&A") in its SEC filings or voluntarily chooses to include such disclosure, annually review the CD&A prepared by management, discuss the CD&A with management and, based on such review and discussions, recommend to the Board that the CD&A be included in the Corporation's Annual Report on Form 10-K, proxy statement, or any other applicable filing as required by the SEC.
16. Review all compensation policies and practices for all employees to determine whether such policies and practices create risks that are reasonably likely to have a material adverse effect on the Corporation.
17. Recommend to the Board that the stockholders of the Corporation approve, on an advisory basis, the compensation of the named executive officers of the Corporation, as disclosed in the Corporation's proxy statement.
18. Recommend to the Board the frequency of holding a vote on the compensation of the Corporation's named executive officers.
19. Periodically review executive supplementary benefits and, as appropriate, the organization's retirement, benefit, and special compensation programs involving significant cost.
20. Form and delegate authority to subcommittees when appropriate.
21. Make regular reports to the Board.
22. Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
23. Annually evaluate its own performance.

24. Oversee the annual process of performance evaluations of the Corporation's executive management.
25. Review and consider each of the factors set forth in Rule 10C-1(b)(4) under the Exchange Act and NASDAQ Marketplace Rule 5605(d)(3), pertaining to the independence of any compensation consultants retained by the Committee or management to advise on executive officer or director compensation, and determine whether any conflict of interest exists that would prevent the consultant from independently representing the Committee or management.
26. Fulfill such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board and/or the Chairman of the Board.

IV. COMPENSATION

Compensation Committee members shall be compensated by the Corporation solely in the form of directors' fees, which may be paid in cash and/or equity of the Corporation. Compensation Committee members may, however, receive greater fees than those received for Board service by other Board members, in light of their heightened responsibilities to the Corporation.