



Compensation Committee Charter

(as amended March 15, 2013)

PURPOSES

The purpose of the Compensation Committee of Pain Therapeutics, Inc., a Delaware corporation (the "Company"), is to review and approve the compensation and benefits to be provided to the officers and directors of the Company and to administer the Company's various stock plans and the issuance of stock options and other stock-related awards not pursuant to a plan. The Compensation Committee shall also make recommendations to the Board of Directors regarding adoption or modification of all stock plans.

In addition, the Compensation Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

MEMBERSHIP

The Compensation Committee is established under the provisions of Article III, Section 1 of the Bylaws of the Company.

The Compensation Committee shall consist of two (2) or more directors, each of whom shall (i) be an "Independent Director" for purposes of Nasdaq Rule 5605(a)(2), (ii) meet the requirements of Nasdaq Rule 5605(d)(2)(A) including with respect to not accepting any direct or indirect consulting, advisory or other compensatory fees outside of compensation for service on the Board of Directors (and its committees), (iii) be an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and (iv) be a "non-employee director" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The members of the Compensation Committee are appointed by and serve at the discretion of the Board of Directors. The Board of Directors may designate one or more directors as alternate members of the Compensation Committee who may replace any absent or disqualified member at any meeting of the Compensation Committee.

RESPONSIBILITIES

The responsibilities of the Compensation Committee shall include:

1. Reviewing and making recommendations to the Board of Directors regarding the compensation policy, goals and guidelines for officers and directors of the Company and the criteria by which bonuses are determined.
2. Reviewing and approving all forms and amounts of compensation (including all "plan" compensation, as such term is defined in Item 402(a)(6) of Regulation S-K promulgated by the Securities and Exchange Commission, and all non-plan compensation) to be provided to the officers of the Company; provided that the Compensation Committee shall determine all forms and amounts of such compensation and the performance objectives for the Company's Chief Executive Officer.
3. Reviewing and determining, pursuant to authority delegated by the Board of Directors, whether proposed loans by the Company to current and prospective employees may reasonably be expected to benefit the Company.
4. Administering the Company's various equity incentive plans.
5. In its administration of such plans, the Compensation Committee may, pursuant to authority hereby delegated by the Board of Directors, (i) grant stock options or stock purchase rights to individuals eligible for such grants (including grants to individuals subject to Section 16 of the Exchange Act in compliance with Rule 16b-3 promulgated thereunder, so long as the Compensation Committee is composed solely of two or more "Non-Employee Directors," as such term is defined in Rule 16b-3(b)(3)(i) promulgated under the Exchange Act), and (ii) amend such stock options or stock purchase rights. The Compensation Committee shall also make recommendations to the Board of Directors with respect to amendments to the plans and changes in the number of shares reserved for issuance thereunder.
6. Reviewing and making recommendations to the Board of Directors regarding other plans that are proposed for adoption or adopted by the Company for the provision of compensation to executive officers of, directors of and consultants to the Company.
7. Preparing a report (to be included in the Company's proxy statement) that describes: (a) the criteria on which

compensation paid to the Chief Executive Officer for the last completed fiscal year is based; (b) the relationship of such compensation to the Company's performance; and (c) the Compensation Committee's executive compensation policies applicable to executive officers.

8. Authorizing the repurchase of shares from terminated employees pursuant to applicable law.

OTHER DUTIES

Whenever the Compensation Committee or the Board of Directors believes that it is in the interest of good business practice, the Compensation Committee shall do the following:

1. Recommend to the Board of Directors guidelines, procedures and policies concerning compensation aspects of recruiting officers.
2. Review the Company's overall compensation philosophy to ensure that the policy appropriately rewards officers for their contributions.
3. Review the salaries and compensation of any employees of the Company and report to the full Board of Directors any suspicious circumstances.
4. Recommend and review succession plans for the chief executive officer and other officers during any major reorganization of the upper management.
5. Review the Chief Executive Officer's and/or the Board of Directors' recommendations for officers of the Company and recommend officer candidates to the Board of Directors.
6. Recommend to the Board of Directors emergency procedures for management succession in the event of unexpected disability of a key executive.
7. Recommend to the Board of Directors any additional compensation programs and policies the Committee deems appropriate.

RESTRICTIONS

Notwithstanding the foregoing, the Compensation Committee may not do any of the following while subject to prohibitions thereof under applicable law:

1. Approve or adopt or recommend to stockholders any actions or proposals required by law to be submitted to stockholders for approval.
2. Adopt, amend or repeal the Bylaws.

MEETINGS

The Compensation Committee will meet at least once each fiscal year. The Compensation Committee may establish its own schedule which it will provide to the Board of Directors in advance.

At a minimum of one meeting annually, the Compensation Committee will consider stock plans, performance goals and incentive awards, and the overall coverage and composition of the compensation package.

The Chief Executive Officer may not be present during any portion of a meeting of the Compensation Committee in which the Compensation Committee is voting or deliberating on the Chief Executive Officer's compensation.

MINUTES

The Compensation Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

REPORTS

The Compensation Committee will provide written reports to the Board of Directors of the Company regarding recommendations of the Compensation Committee submitted to the Board of Directors for action, and copies of the written minutes of its meetings.

OTHER

In accordance with Nasdaq Rule 4605(d)(3), the Compensation Committee has the following additional responsibilities and authority:.

1. The Compensation Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser.
2. The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Compensation Committee.
3. The Company must provide for appropriate funding, as determined by the Compensation Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Compensation Committee.
4. The Compensation Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Compensation Committee, other than in-house legal counsel, only after taking into consideration the following factors:
 - i. the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
 - ii. the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
 - iii. the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
 - iv. any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Compensation Committee;
 - v. any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
 - vi. any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

Nothing in this section shall be construed: (i) to require the Compensation Committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other adviser to the Compensation Committee; or (ii) to affect the ability or obligation of a Compensation Committee to exercise its own judgment in fulfillment of the duties of the Compensation Committee..

The Compensation Committee is required to conduct the independence assessment outlined in this section with respect to any compensation consultant, legal counsel or other adviser that provides advice to the Compensation Committee, other than in-house legal counsel. However, nothing in this section requires a compensation consultant, legal counsel or other compensation adviser to be independent, only that the Compensation Committee consider the enumerated independence factors before selecting, or receiving advice from, a compensation adviser. The Compensation Committee may select, or receive advice from, any compensation adviser it prefers, including ones that are not independent, after considering the six independence factors outlined above.

For purposes of this section, the Compensation Committee is not required to conduct an independence assessment for a compensation adviser that acts in a role limited to the following activities for which no disclosure is required under Item 407(e) (3)(iii) of Regulation S-K under the Exchange Act: (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 the Company or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice..

The officers of the Company are requested to cooperate with the Compensation Committee and to render assistance to it, as it shall request in carrying out its functions.