

VIVUS, INC.
AUDIT COMMITTEE CHARTER

I. Purpose

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of VIVUS, Inc. (the “**Company**”) is to assist the Board in fulfilling its oversight responsibilities regarding the Company’s financial accounting, reporting, and internal controls over financial reporting. The Committee’s principal functions are to:

- assist the Board in its oversight of the integrity of the Company’s accounting and financial reporting process and the audits of the Company’s financial statements by the Company’s independent registered public accounting firm (the “**Independent Auditors**”);
- monitor the periodic reviews of the adequacy of the accounting and financial reporting processes and systems of internal control over financial reporting that are conducted by the Independent Auditors and the Company’s financial and senior management;
- evaluate the Company’s compliance with legal and regulatory requirements under applicable securities law;
- interact directly with and evaluate the performance of the Independent Auditors, including engaging or dismissing the Independent Auditors and monitoring the Independent Auditors’ qualifications and independence; and
- facilitate communication among the Independent Auditors and the Company’s financial and senior management and the Board.

This charter (the “**Charter**”) sets forth the authority and responsibility of the Committee in fulfilling its purpose. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statements are complete and accurate and are in accordance with accounting principles generally accepted in the United States (“**U.S. GAAP**”). These are the responsibility of the Company’s management and the Independent Auditors.

II. Membership

1. The Committee shall be comprised of three or more independent directors of the Board, with the exact number determined by the Board. A director shall qualify as independent if the Board has affirmatively determined that such director is independent, consistent with the basic independence criteria set forth in the Company’s Corporate Governance Guidelines, Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the “**1934 Act**”), and the rules of the Nasdaq Stock Market (“**Nasdaq**”). In addition, each member of the Committee must satisfy the following additional requirements:
 - no Committee member or immediate family member of such Committee member may be an affiliated person of the Company or any of its subsidiaries, as that term is defined by the Securities and Exchange Commission (the “**SEC**”);
 - Committee member shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member;

- no Committee member shall accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries, except (a) fees received as a member of the Committee, the Board or any other Board committee, or (b) fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company; provided that such compensation is not contingent in any way on continued service; and
 - no Committee member shall have participated in the preparation of the financial statements of the Company or any of its subsidiaries (exclusive of former subsidiaries that are no longer subsidiaries of the Company) during the past three years.
2. All members of the Committee must have the ability to read and understand fundamental financial statements, including a balance sheet, statement of income/loss, and statement of cash flow. In addition, at least one member of the Committee shall be an “audit committee financial expert” within the definition adopted by the SEC, and have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. If the Committee does not have an audit committee financial expert, the Company shall disclose in its periodic reports required pursuant to the 1934 Act the reasons why at least one member of the Committee is not an audit committee financial expert.
 3. The members of the Committee, including the chairperson (the “**Chair**”) of the Committee, shall be appointed by the Board. Committee members shall serve for such term or terms as the Board may determine or until earlier resignation or death. Committee members may be removed from the Committee, with or without cause, by the Board.
 4. The members of the Committee should not serve on the audit committees of other public companies where such service is likely to interfere with the performance of the Committee member’s duties to the Company, taking into account the individual, the nature of his or her other activities and such other factors or considerations as the Board deems relevant.

III. Meetings and Procedures

1. The Committee shall meet as often as it deems necessary, but in no event less than four times per year. A majority of the members of the Committee shall constitute a quorum.
2. The Committee shall meet separately or together with the Company’s Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer (or Controller) at such times as it deems appropriate to review the financial affairs of the Company.
3. The Committee shall meet separately with the Independent Auditors at such times as it deems appropriate, but not less than quarterly.
4. Any member of the Committee or the Board may call a meeting of the Committee.
5. The Chair will set the agenda for Committee meetings and conduct the proceedings of those meetings.

6. The Committee may delegate authority to one or more members of the Committee where appropriate, but no such delegation shall be permitted if the authority is required by law, regulation or applicable listing standards to be exercised by the Committee as a whole.
7. The Committee may request that any directors, officers, or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting to provide such information as the Committee requests.
8. The Committee shall fix its own rules of procedure, which shall be consistent with the bylaws of the Company (as may be amended from time to time, the “**Bylaws**”) and this Charter.
9. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

IV. Duties and Responsibilities

The principal duties and responsibilities 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 supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

The Committee will:

Financial Statements and Disclosures

1. Review and discuss with management the Company’s quarterly results and the related earnings press release prior to distribution to the public.
2. Review the Company’s quarterly and annual financial statements, including any report on the Company’s internal control over financial reporting.
3. In connection with the Committee’s review of the annual financial statements:
 - discuss the financial statements and the results of the Independent Auditors’ audit of the financial statements with the Independent Auditors, any internal audit department, and management;
 - discuss any items required to be communicated by the Independent Auditors in accordance with the auditing standards of the Public Company Accounting Oversight Board (the “**PCAOB**”). These discussions should include an overview of the planned scope and timing of the audit, the Independent Auditors’ judgments about the quality and appropriateness of the Company’s accounting principles, the reasonableness of significant judgments, the clarity of the disclosures in the Company’s financial statements and any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information; and
 - discuss with the Company’s management and the Independent Auditors the Company’s selection, application and disclosure of critical accounting policies and practices.
4. In connection with the Committee’s review of the quarterly financial statements:

- discuss with the Independent Auditors and the Company's management, the results of the Independent Auditors' PCAOB Interim Standard AU § 722, or similar, review of the quarterly financial statements;
 - discuss significant issues, events and transactions and any significant changes regarding accounting principles, practices, policies, judgments or estimates with the Company's management and the Independent Auditors; and
 - resolve any disagreements between the Company's management and the Independent Auditors regarding financial reporting.
5. Review with management and the Independent Auditors the financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations to be included in the Company's annual report on Form 10-K (or the annual report to stockholders if distributed prior to the filing of Form 10-K) or quarterly report on Form 10-Q prior to the filing of such reports.
 6. Prepare a report in accordance with the SEC rules in the Company's annual proxy statement.
 7. Oversee compliance with the requirements of the SEC for disclosure of the Independent Auditors' services and Committee members, and their qualifications and activities.
 8. Discuss on a general basis the type of information to be disclosed and type of presentation to be made regarding financial information and earnings guidance to analysts and rating agencies.

Internal Controls

1. Periodically discuss with the Company's principal accounting officer the function of the Company's internal controls over financial reporting and procedures and any disclosure committee that may be established by the Company. Discuss with the Company's Chief Executive Officer and Chief Financial Officer their conclusions regarding the effectiveness of the Company's disclosure controls and procedures.
2. Review and discuss with the Independent Auditors and the Company's management their periodic reviews of the adequacy of the Company's internal control over financial reporting, including any significant deficiencies and material weaknesses in their design or operation.
3. Review any fraud involving management or any employee of the Company with a significant role in the Company's internal controls over financial reporting that are disclosed to the Committee.
4. Discuss any comments or recommendations of the Independent Auditors outlined in their annual management letter or internal control reports. If appropriate, approve a schedule for implementing any recommended changes and monitor compliance with the schedule.
5. Working with the Nominating and Governance Committee, establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, the prompt internal reporting of violations of the Code of Business Conduct and Ethics and confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters, and any changes therein. Oversee the review of any such

complaints and submissions that have been received, including the current status and the resolution if one has been reached.

6. Consider the establishment, and oversee the activities, of any internal audit function within the Company.
7. Annually review and assess internal controls over financial reporting and treasury functions including cash management procedures and policies.
8. Review disclosure regarding internal controls required under the SEC rules to be contained in the Company's periodic filings with the SEC and the attestations or reports by Independent Auditors relating to such disclosure prior to distribution to the public.

Interaction with the Independent Auditors

1. Be directly responsible for the appointment, compensation, retention and oversight of the work of the Independent Auditors (including resolution of any disagreements between the Company's management and the Independent Auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company, and the Independent Auditors shall report directly to the Committee.
2. Approve the fees and other compensation to be paid to the Independent Auditors and pre-approve all audit and non-audit related services provided by the Independent Auditors before the Independent Auditors are engaged by the Company or its subsidiaries to render audit or non-audit services. The Committee may establish pre-approval policies and procedures for the engagement of the Independent Auditors to render services to the Company, including without limitation policies that would allow the delegation of pre-approval authority to one or more members of the Committee, provided that any pre-approval decision is reported to the Committee at its next scheduled meeting. The Committee shall receive certain disclosure, documentation and discussion of non-prohibited tax services by the Independent Auditors based on PCAOB Rule 3524, *Audit Committee Pre-Approval of Certain Tax Services*, or any successor rule.
3. Obtain and review, at least annually, a formal, written report by the Independent Auditors describing: (a) the Independent Auditors' internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm, or by any inquiry or investigation by governmental or professional authorities or a private sector regulatory board, within the preceding five years, respecting one or more independent audits performed by the auditing firm, and any steps taken to deal with any such issues; and (c) in order to assess the firm's independence, all relationships between the auditing firm and the Company, consistent with the rules of the PCAOB and other regulatory authorities. The Committee shall actively engage in a dialogue with the Independent Auditors regarding any disclosed relationships or services that may impact the objectivity and independence of the Independent Auditors, and shall recommend that the full Board take appropriate action to oversee the independence of such auditor.
4. Meet with the Independent Auditors prior to initiation of the audit to discuss the planning and staffing of the audit, including the impact of applicable rotation requirements and other independence rules on the staffing of the audit.
5. Review and discuss quarterly with the Independent Auditors the reports prepared by the Independent Auditors and provided to the Committee relating to, among other things, (a)

the Company's critical accounting policies and practices and (b) alternative treatments within U.S. GAAP for policies and practices relating to material items that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the Independent Auditors, and any other material written communications between the Independent Auditors and management, such as any management letter or schedule of unadjusted differences.

6. Meet with management, the Independent Auditors and the internal auditor in connection with each annual audit to discuss the financial statements, results of the Independent Auditors' audit of the financial statements, scope of the audit, the procedures to be followed, and the staffing of the audit.
7. Discuss with the Independent Auditors any audit problems or difficulties, including any restrictions on the scope of the Independent Auditors' activities or on access to requested information, management's response to same, and any other matters required to be brought to its attention under auditing standards, and shall resolve any disagreements between the Independent Auditors and management regarding financial reporting.
8. Conduct an annual evaluation of the Independent Auditors' performance and their independence, including considering whether the Independent Auditors' quality controls are adequate.

General

1. Review all related-party transactions (as defined as those transactions required to be disclosed under Item 404 of Regulation S-K) on an ongoing basis and all such transactions must be approved by the Committee (or by another independent committee of the Board).
2. Discuss with management and the Independent Auditors any correspondence from or with regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding the Company's financial statements, financial reporting process, accounting policies or internal audit function.
3. Discuss with the Company's General Counsel, if one is appointed, or outside counsel any legal matters brought to the Committee's attention that could reasonably be expected to have a material impact on the Company's financial statements.
4. Oversee and discuss with management, at least annually, the Company's policies with respect to risk assessment and risk management. The Committee shall oversee and discuss with management the Company's significant financial and operational risk exposures, including but not limited to accounting matters, liquidity and credit risks, corporate tax positions, insurance coverage, and cash investment strategy and results, and the actions management has taken to limit, monitor or control such exposures.
5. Set clear hiring policies for employees or former employees of the Company's Independent Auditors.
6. Consider waivers of the Code of Business Conduct and Ethics (other than transactions that are subject to review by the Board as a whole or any other committee of the Board), including waivers requested for executive officers and directors (other than where the potential waiver involves a member of the Committee, in which event, such waiver shall be subject to the review of the Board), and retain authority to grant any such waivers.

V. Studies and Advisors

The Committee, in discharging its responsibilities, may conduct, direct, supervise 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 expense of the Company, to retain independent legal counsel and other consultants, accountants, experts and advisers of its choice to assist the Committee in connection with its functions, including any studies or investigations. The Committee will have the sole authority to approve the fees and other retention terms of such advisers. The Company will provide for appropriate funding, as determined by the Committee, for:

- payment of reasonable compensation to any Independent Auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
- payment of reasonable compensation to any independent legal counsel and other consultants, accountants, experts and advisers retained by the Committee; and
- ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its functions.

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 Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate.

VII. Delegation of Duties

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, but only to the extent consistent with the Company's certificate of incorporation, Bylaws, Corporate Governance Guidelines, Nasdaq rules and other applicable law.

VIII. Review of Committee Composition, Performance and Charter

The Committee will evaluate its own composition and performance on an annual basis, including its compliance with this Charter, and submit a report to the Board, including any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct this evaluation in such manner as it deems appropriate. Additionally, the Committee will also review and reassess the adequacy of this Charter at least annually, and recommend to the Board any changes the Committee determines are appropriate.

IX. Publication

The Company shall make this Charter freely available to stockholders on request and, provided that the Company is subject to the period reporting requirements of the 1934 Act, shall publish it on the Company's website.

As adopted July 29, 2016.

Effective July 29, 2016.