

**AMENDED AND RESTATED CHARTER
OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS
OF POZEN INC.**

I. Purpose

The Compensation Committee (the “Committee”) of the Board of Directors (“Board”) of POZEN Inc. (the “Company”) is appointed by, and generally acts on behalf of, the Board. The Committee’s purposes shall be:

- A. To periodically review and approve, and, as appropriate, recommend to the full Board for approval, the Company’s compensation philosophy and the adequacy and market competitiveness of compensation plans and programs for executive officers (including the Company’s chief executive officer (“CEO”)) and other Company employees;
- B. To review and approve compensation arrangements and incentive goals/objectives for executive officers and to evaluate the performance of the CEO and other executive officers in light of such arrangements and goals/objectives;
- C. To administer the Company’s equity compensation plans;
- D. To review and discuss with management the Company’s “Compensation Discussion and Analysis” required by Item 402(b) of Regulation S-K, and to prepare the annual report on executive compensation for inclusion in the Company’s annual proxy statement and Annual Report on Form 10-K in accordance with Securities and Exchange Commission (“SEC”) rules and regulations; and
- E. To review and make recommendations to the Board with respect to director compensation.

II. Compensation Philosophy

- A. With respect to the CEO and the other executive officers, the Committee’s philosophy is to promote the achievement of the Company’s annual and long-term performance objectives as approved by the Committee and/or the Board, ensure that the executive officers’ interests are aligned with the success of the Company, and provide compensation packages that will attract, retain, and motivate superior executive personnel.
- B. With respect to employees, the Committee’s philosophy is to provide pay and benefit programs that attract and retain highly competent employees, drive

employee development and performance to achieve short- and long-term business goals and strategies and reinforce the Company's cultures, behaviors and values.

III. Structure and Membership

- A. The Committee shall consist of at least three members of the Board.
- B. Except as otherwise permitted by the applicable rules of the Nasdaq Stock Market or the SEC, as applicable, each member of the Committee shall be an "independent director" as defined by the applicable rules of the Nasdaq Stock Market and a "non-employee director" as defined by Rule 16b-3(b)(3) promulgated under the Securities Exchange Act of 1934, as amended. In addition, for purposes of meeting the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor Code section, the members of the Committee who approve the performance goals to which certain of the executive compensation is tied in making such performance-based awards shall qualify as "outside" directors, as defined in Treasury Regulation 1.162-27(e)(3) promulgated under the Code, and such members shall consist of at least two of the members of the Committee.
- C. Unless the Board elects a Chair of the Committee, the Committee shall elect a Chair by majority vote.
- D. Members of the Committee shall be appointed by the Board. The Board may remove members of the Committee from such committee, with or without cause.

IV. Procedures and Administration

- A. The Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Committee may also act by unanimous written consent in lieu of a meeting. The Committee shall keep such records of its meetings as it shall deem appropriate. A majority of the members of the Committee shall constitute a quorum.
- B. The Committee may form one or more subcommittees as it deems appropriate from time to time and may delegate authority to such committees or to one or more members of the Committee when appropriate, but no such delegation shall be permitted if the authority is required by a law, regulation or listing standard to be exercised by the Committee as a whole.
- C. The Committee shall report regularly to the Board as to the matters discussed and actions taken at each meeting of the Committee.
- D. The Committee shall have the authority, without further action by the Board, to engage and determine funding for such independent legal, accounting and other advisors as it deems necessary to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Committee is

empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Committee.

- E. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Committee.

V. Duties and Responsibilities

The Committee shall have the following duties and responsibilities:

A. Compensation Philosophy, Plans and Programs

1. Periodically review, consider and approve the philosophy and framework for compensation of the Company's CEO and other executive officers and other employees.
2. Review and approve compensation plans and programs for executive officers and, in its discretion, other employees, including incentive and equity-based plans and programs, any appropriate employment contracts, special retirement benefits, and severance or change in control arrangements, and recommend, where appropriate, Board approval of such plans and programs.
3. Periodically review the adequacy and market competitiveness of such plans and programs for the executive officers and other employees, and, in consultation with such advisors or consultants as the Committee deems appropriate, compare such plans and programs to those of the Company's peer groups, ensuring appropriate levels of incentive to management, and aligning management's goals with the interests of stockholders.
4. Administer the Company's equity-based plans and programs.
5. Monitor the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended, and determine the extent to which the Company should comply with its provisions and any steps that the Committee must take in order to comply with such provisions.

B. Specific Compensation Amounts and Incentives

1. Review and approve annual base salary amounts for executive officers and, based upon discussions with the CEO, annual incentive opportunity levels and the financial, strategic and other goals to be met to earn annual and long-term incentive awards, and recommend, where appropriate, Board approval of such salary amounts and incentive levels and goals.

2. Review and evaluate, at least annually and taking into account the views of the other members of the Board, the performance and leadership of the CEO and determine, and recommend, where appropriate, Board approval of, the amounts of annual and any long-term incentive awards and any adjustments to the annual salary amounts based upon such performance and consistent with the achievement of the established goals. Any deliberations or decisions relating to the compensation of the CEO shall be made outside the presence of the CEO.
3. Review with the CEO his evaluation of the performance of the executive officers and determine with the CEO, and recommend, where appropriate, Board approval of, the amounts of annual and any long-term incentive awards and any adjustments to the annual salary amounts based upon such performance and consistent with the achievement of the established goals.
4. Review and approve, as appropriate, other officer and key management compensation actions.

C. Other Responsibilities

1. Periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for its approval.
2. Periodically review and make recommendations to the Board with respect to director compensation.
3. As appropriate, review and assess, and make recommendations to the Board with respect to, management succession and development.
4. Review and discuss annually with management the Company's "Compensation Discussion and Analysis" required by Item 402(b) of Regulation S-K (the "CD&A"). The Compensation Committee shall consider annually whether it will recommend to the Board that the CD&A be included in the Company's Annual Report on Form 10-K and proxy statement on Schedule 14A.
5. Prepare the annual Compensation Committee Report required by Item 407(e)(5) of Regulation S-K for inclusion in the Company's Annual Report on Form 10-K and proxy statement on Schedule 14A.
6. At least annually, evaluate the Committee's own performance and report to the Board.
7. Perform any other activities consistent with this Charter, the Company's Certificate of Incorporation, the Company's Bylaws, and governing law as the Committee or the Board deems necessary or appropriate.