

SUCAMPO PHARMACEUTICALS, INC.

COMPENSATION COMMITTEE CHARTER

Revised March 4, 2015

A. Purpose

The purpose of the Compensation Committee of the Board of Directors (the “Board”) of Sucampo Pharmaceuticals, Inc. (the “Company”) is to oversee the discharge of the responsibilities of the Board relating to the Company’s compensation policies, plans and programs, and to review and determine, as appropriate, the compensation to be paid to the Company’s executive officers and directors, as well as to review and discuss annually with management the Company’s “Compensation Discussion and Analysis” (“CD&A”) to be included in the Company’s Annual Report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C and prepare and review the Company’s annual Compensation Committee report in accordance with applicable rules and regulations of the Securities and Exchange Commission (the “SEC”), as in effect from time to time. For purposes of this Charter, the term “compensation” shall include salary, long-term incentives, bonuses, performance based cash incentive plans, perquisites, equity incentives, severance arrangements, change of control related arrangements, retirement benefits, tax gross up provisions, and other related benefits and benefit plans. The policy of the Compensation Committee shall be as follows:

1. Compensation Structure. The Compensation Committee shall seek to maintain an overall compensation structure designed to attract, retain and motivate executive officers and directors by providing appropriate levels of risk and reward, assessed in proportion to individual contribution and performance, and
2. Long-Term Focus. The Compensation Committee shall seek to establish appropriate incentives for executive management to further the Company’s long-term strategic plan and avoid undue emphasis on short-term market value.

B. Structure and Membership

1. Number. The Compensation Committee shall consist of at least three members of the Board.
2. Independence. Except as otherwise permitted by the applicable NASDAQ rules, each member of the Compensation Committee shall be “independent” as defined by such rules, a “non-employee director” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”).
3. Chair. Unless the Board elects a Chair of the Compensation Committee, the Compensation Committee shall elect a Chair by majority vote. The Chair (or in

his or her absence, a member designated by the Chair) shall preside at all meetings of the Compensation Committee.

4. Compensation. The compensation of Compensation Committee members and the Chair of the Compensation Committee shall be as determined by the Board.
5. Selection and Removal. Members of the Compensation Committee shall be appointed by the Board, upon the recommendation of the Nominating and Corporate Governance Committee. The Board may remove members of the Compensation Committee from such committee, with or without cause, at any time. Vacancies occurring on the Compensation Committee shall be filled by the Board.

C. Authority and Responsibilities

General

The Compensation Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management, in accordance with its business judgment. The operation of the Compensation Committee shall be subject to the Bylaws of the Company as in effect from time to time and to Section 141 of the Delaware General Corporation Law. The approval of this Charter shall be construed as a delegation of authority to the Compensation Committee with respect to the responsibilities set forth herein.

Compensation Matters

1. Overall Compensation Strategy. The Compensation Committee shall be responsible for reviewing, modifying (as needed) and approving (or, if it deems appropriate, making recommendations to the full Board) the overall compensation strategy and policies for the Company, including:
 - reviewing and approving (or, if it deems appropriate, making recommendations to the full Board regarding) corporate performance goals and objectives, which shall support and reinforce the Company's long-term strategic goals relevant to the compensation of the Company's executive officers;
 - evaluating and approving (or, if it deems appropriate, making recommendations to the full Board regarding) the compensation plans and programs advisable for the Company, as well as the modification or termination of existing plans and programs;
 - reviewing and evaluating the compensation plans and arrangements to ensure those plans and arrangements align with the Company's principal financial and operational risks;

- establishing policies with respect to equity compensation arrangements with the objective of appropriately balancing the perceived value of equity compensation and the dilutive and other costs of that compensation to the Company;
- establishing policies on the timing and pricing of equity awards for newly hired employees, promotions and annual grants for executives and non-executive employees and directors;
- reviewing regional and industry-wide compensation practices and trends to assess the propriety, adequacy and competitiveness of the Company's executive compensation programs among comparable companies in the Company's industry; however, the Compensation Committee shall exercise independent judgment in determining the appropriate levels and types of compensation to be paid;
- establishing and annually assessing the adequacy of director compensation;
- reviewing and approving (or, if it deems appropriate, making recommendations to the full Board regarding) the terms of any employment agreements, severance arrangements, change-of-control protections and any other compensatory arrangements (including, without limitation, any material perquisites and any other form of compensation) for the Company's executive officers;
- reviewing and approving any compensation arrangement for any executive officer involving any subsidiary, special purpose or similar entity;
- considering and, if appropriate, establishing a policy designed to encourage executive officers and directors to acquire and hold a meaningful equity interest in the Company;
- evaluating the efficacy of the Company's compensation policy and strategy in achieving expected benefits to the Company and otherwise furthering the Compensation Committee's policies; and
- appointing members and providing strategic oversight of the Benefits Committee and the Investment Committee.

2. Compensation of Chief Executive Officer. The Compensation Committee shall review, determine and approve (or, if it deems appropriate, recommend to the Board for determination and approval) the compensation and other terms of employment of the Company's Chief Executive Officer and shall evaluate the Chief Executive Officer's performance in light of relevant performance goals and objectives. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Compensation Committee should seek to

achieve an appropriate level of risk and reward, taking into consideration the Company's performance and relative stockholder return, the potential benefits and costs to the Company of the award, the value of similar incentive awards given to chief executive officers of comparable companies, the awards given to the Company's Chief Executive Officer in past years, other elements of the Chief Executive Officer's compensation including total compensation and such other criteria as the Compensation Committee deems advisable. The Company's Chief Executive Officer may not be present during the voting or deliberations regarding his or her compensation.

3. Compensation of Other Executive Officers. The Compensation Committee shall review and approve (or, if it deems appropriate, recommend to the Board for determination and approval) the individual and corporate performance goals and objectives of the Company's other executive officers (as that term is defined in Section 16 of the Exchange Act and Rule 16a-1 promulgated thereunder) that are periodically established. The Compensation Committee shall review, determine and approve (or, if it deems appropriate, recommend to the Board for determination and approval) the compensation and other terms of employment of each such executive officer, taking into consideration the executive officer's success in achieving his or her individual performance goals and objectives and the corporate performance goals and objectives deemed relevant to the executive officer as established by the Compensation Committee, as well as in fostering a corporate culture that promotes the highest levels of integrity and the highest ethical standards.
4. Evaluation of Executive Officers. The Compensation Committee shall be responsible for overseeing the process of evaluating the Company's executive officers, in conjunction with the Audit Committee in the case of the evaluation of the senior financial management.
5. Plan Recommendations and Approvals. The Compensation Committee shall periodically review and make recommendations to the Board with respect to incentive-compensation and equity-based plans that are subject to approval by the Board. In addition, in the case of any tax-qualified, non-discriminatory employee benefit plans (and any parallel nonqualified plans) for which stockholder approval is not sought and pursuant to which options or stock may be acquired by officers, directors, employees or consultants of the Company, the Compensation Committee, or a majority of the independent directors serving on the Board, shall approve such plans.
6. Administration of Plans. The Compensation Committee shall exercise all rights, authority and functions of the Board under all of the Company's stock option, stock incentive, employee stock purchase and other equity-based plans, including without limitation, the authority to interpret the terms thereof, to grant options thereunder and to make stock awards thereunder; provided, however, that, except as otherwise expressly authorized to do so by this charter or a plan or resolution of the Board, the Compensation Committee shall not be authorized to amend any

such plan. To the extent permitted by applicable law and the provisions of a given equity-based plan, and consistent with the requirements of applicable law and such equity-based plan, the Compensation Committee may delegate to one or more executive officers of the Company the power to grant options or other stock awards pursuant to such equity-based plan to employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company. The Compensation Committee, or a majority of the independent directors serving on the Board, shall approve any inducement awards granted in reliance on the exemption from shareholder approval contained in NASDAQ Rules. In addition, the Compensation Committee shall have such authority to administer other, non-equity-based plans as the Board may delegate to it from time to time.

7. Director Compensation. The Compensation Committee shall periodically review and make recommendations to the Board with respect to director compensation.
8. Review and Discussion of Compensation Discussion and Analysis; Recommendation to Board. The Compensation Committee shall 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, proxy statement on Schedule 14A or information statement on Schedule 14C.
9. Compensation Committee Report. The Compensation Committee shall prepare the annual Compensation Committee Report required to be included in the Company's proxy statement.
10. Consultant and External Advisor Review. Annually review and assess the independence of the Compensation Committee's own compensation consultant(s) and other external advisors engaged by the Compensation Committee.
11. Additional Powers. The Compensation Committee shall have such other duties as may be delegated from time to time by the Board.

D. Procedures and Administration

1. Meetings. The Compensation Committee shall meet as often as it deems necessary in order to perform its responsibilities, but in no event less than annually. A majority of the members of the Compensation Committee shall constitute a quorum for the transaction of business. All actions of the Compensation Committee will require (a) the vote of a majority of the members present at a meeting of the Compensation Committee at which a quorum is present or (b) a unanimous written consent.

2. Subcommittees. The Compensation Committee may form and delegate authority to one or more subcommittees as it deems appropriate from time to time under the circumstances.
3. Reports to Board. Minutes of each meeting of the Compensation Committee, and each written consent, shall be prepared and distributed to each director of the Company and to the Secretary of the Company after each meeting and shall be placed in the Company's minute book. The Chairman of the Compensation Committee shall report to the Board from time to time, whenever so requested by the Board.
4. Charter. The Compensation Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
5. Access to Records, etc. The Compensation Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Compensation Committee to discharge his or her responsibilities hereunder, including human resources, legal counsel, or other personnel assisting in the preparation of the CD&A for the Company's filings with the SEC.
6. Consulting Arrangements. The Compensation Committee shall have the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of executive officer compensation and shall have authority to approve the consultant's fees and other retention terms. The Compensation Committee shall also have authority to commission compensation surveys or studies as the need arises. The Compensation Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such consultants as established by the Compensation Committee. The Compensation Committee shall also have the authority to cause the Company to pay reasonable expenditures for other external resources that the Compensation Committee deems necessary or appropriate in the performance of its duties are permitted.
7. Independent Advisors. The Compensation Committee is authorized, without further action by the Board, to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Compensation Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Compensation Committee. The independence assessment of such advisors will be conducted using appropriate guidance from the SEC and NASDAQ.
8. Investigations. The Compensation 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 Compensation Committee or any advisors engaged by the Compensation Committee.

9. Annual Self-Evaluation. At least annually, the Compensation Committee shall evaluate its own performance.