

CYMABAY THERAPEUTICS, INC.

CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

PURPOSE AND POLICY

The purpose of the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of CymaBay Therapeutics, Inc. (the “*Company*”) shall be to act on behalf of the Board in fulfilling the Board’s responsibilities to (i) oversee the Company’s compensation policies, plans and programs, and to review and determine the compensation to be paid to the Company’s executive officers and directors, (ii) review and discuss with management the Company’s disclosures contained under the caption “Compensation Discussion and Analysis” (the “*CD&A*”) for use in any of the Company’s annual reports on Form 10-K, registration statements, proxy statements or information statements, as may be required, and (iii) prepare and review the Committee report on executive compensation included in the Company’s annual proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission (the “*SEC*”). The policy of the Committee shall be to seek to maintain an overall compensation structure designed to attract, retain and motivate management and other employees by providing appropriate levels of risk and reward, assessed on a relative basis at all levels within the Company and in proportion to individual contribution and performance. The term “compensation” shall include salary, long-term incentives, bonuses, perquisites, equity incentives, severance arrangements, retirement benefits and other related benefits and benefit plans.

COMPOSITION

The Committee shall consist of at least two (2) members of the Board. The members of the Committee shall satisfy (i) any independence requirements imposed by the SEC and The Nasdaq Stock Market (“*Nasdaq*”), giving effect to any exceptions permitted by such requirements, (ii) the “non-employee director” standard within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), and (iii) the “outside director” standard within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “*Code*”). The members of the Committee and the Chair of the Committee shall be appointed by the Board, on the recommendation of the Nominating and Corporate Governance Committee and may be removed by the Board in its discretion. Vacancies occurring on the Committee shall be filled by the Board.

MEETINGS AND MINUTES

The Committee shall hold such regular or special meetings as its members shall deem necessary or appropriate. Minutes of each meeting of the Committee shall be prepared and distributed to each director of the Company and the Secretary of the Company after each meeting. The Committee shall report to the Board from time to time, or whenever so requested by the Board.

AUTHORITY

The Committee shall have authority, in its sole discretion, to retain, or obtain advice from, a compensation consultant, internal or outside legal counsel, accounting or other advisers or consultants as it deems necessary or appropriate in carrying out its duties. The Committee shall have authority to determine appropriate compensation for any such adviser retained by the Committee, which reasonable compensation shall be funded by the Company, and shall have the authority to establish guidelines and procedures related to the accrual and accounting of such compensation and expenses. Other reasonable expenditures for external resources that the Committee deems necessary or appropriate in the performance of its duties, unless prohibited by Nasdaq Listing Rules or applicable law, are permitted. Each member of the 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 Committee to discharge his or her responsibilities hereunder. The Committee shall have authority to require that any of the Company's personnel, counsel, accountants or investment bankers, or any other consultant or advisor to the Company, attend any meeting of the Committee or meet with any member of the Committee or any of its special, outside legal, accounting or other, advisors or consultants.

The approval of this Charter by the Board shall be construed as a delegation of authority to the Committee with respect to the responsibilities set forth herein. The Committee may form and delegate authority to subcommittees as appropriate, including, but not limited to, a subcommittee composed of one or more members of the Board to grant stock awards under the Company's equity incentive plans to persons who are not (i) "Covered Employees" under Section 162(m) of the Code, (ii) individuals with respect to whom the Company wishes to comply with Section 162(m) of the Code or (iii) then subject to Section 16 of the Exchange Act. Delegation by the Committee to any subcommittee shall not limit or restrict the Committee on any matter so delegated, and any action by the Committee on any matter so delegated shall not limit or restrict any future action by such subcommittee, unless otherwise determined by the Committee. The operation of the Committee shall be subject to the Bylaws of the Company as in effect from time to time and Section 141 of the Delaware General Corporation Law. Without limiting the generality of the foregoing, the Committee may form and delegate authority to a subcommittee comprising solely employees of the Company to serve as an administrative and/or investment committee, with fiduciary responsibilities under the Employee Retirement Income Security Act of 1974 ("**ERISA**"), with respect to one or more Company plans that are subject to ERISA.

In addition, notwithstanding the foregoing paragraph or any other provision in this Charter, if deductibility of "performance-based" compensation under Section 162(m) of the Code is desired, only the Committee, or one of its subcommittees, in either case comprising at least two (2) directors who are "outside directors" (and with any non-"outside directors" abstaining) and who also meet all of the other criteria for membership on the Committee (any such subcommittee, a "**Section 162(m) Committee**") may approve compensation intended to qualify for the "performance-based compensation" exception of Section 162(m) (including but not limited to the granting of stock options and the establishment and evaluation of achievement of performance goals related to cash or equity compensation) (such intended compensation, "**Section 162(m) Compensation**"). Nothing in this Charter requires the Committee to grant compensation that qualifies for the "performance-based compensation" exception of Section 162(m) and nothing in this Charter is a guarantee that compensation intended to qualify as "performance-based compensation" does so qualify.

RESPONSIBILITIES

The Committee's procedures should remain flexible to address changing circumstances most effectively. To implement the Committee's purpose and policy, the Committee shall have the following responsibilities, which the Committee may supplement or, except as otherwise required by applicable law or the requirements of Nasdaq, deviate from these activities as appropriate under the circumstances:

1. **Overall Compensation Strategy.** To review, modify (as needed) and approve the overall compensation strategy and policies for the Company, including:

- reviewing and approving corporate performance and other goals and objectives, relevant to the compensation of the Company's executive officers and, as appropriate, other senior management or key employees;
- evaluating and recommending to the Board for approval, as appropriate, the equity compensation plans and programs advisable for the Company, as well as evaluating and recommending to the Board for approval, as appropriate, the modification or termination of existing equity incentive plans and programs;

- establishing policies with respect to equity compensation arrangements;
- reviewing regional and industry-wide compensation practices and trends to assess the adequacy and competitiveness of the Company's executive compensation programs among comparable companies in the Company's industry; however, the Committee shall exercise independent judgment in determining the appropriate levels and types of compensation to be paid;
- reviewing and approving the terms of any employment agreements, severance arrangements, change-of-control protections, bonus compensation arrangements and any other compensatory arrangements (including, without limitation, perquisites and any other form of compensation) for the Company's executive officers and, as appropriate, other senior management or key employees;
- evaluating the efficacy of the Company's compensation policy and strategy in achieving expected benefits to the Company and otherwise furthering the Committee's policies;
- reviewing the Company's practices and policies of employee compensation as they relate to risk management and risk-taking incentives, to determine whether such compensation policies and practices are reasonably likely to have a material adverse effect on the Company; and
- reviewing and considering the results of any advisory vote on executive compensation.

2. ***Compensation of Chief Executive Officer.*** To determine and approve the compensation and other terms of employment of the Company's Chief Executive Officer and to evaluate the Chief Executive Officer's performance in light of relevant corporate performance goals and objectives.

In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee should consider the Company's performance and relative stockholder return, 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, and such other criteria as the Committee deems advisable. The Chief Executive Officer may not be present during the voting or deliberations regarding his or her compensation.

3. ***Compensation of Other Executive Officers and Senior Management.*** To review and approve the individual and corporate performance goals and objectives of the Company's officers (as that term is defined in Section 16 of the Exchange Act and Rule 16a-1 thereunder, referred to herein as "***Executive Officers***") and, to the extent the Committee deems appropriate and advisable, other members of senior management, that are periodically established. The Committee shall approve the compensation and other terms of employment of these executive officers (and, if applicable, senior management), as appropriate, taking into consideration the person's success in achieving his or her individual performance goals and objectives and the corporate performance goals and objectives deemed relevant to the officer as established by the Committee.

4. ***Compensation of Directors.*** To review and recommend to the Board for approval the type and amount of compensation to be paid or awarded to non-employee Board members, including consulting, retainer, meeting, committee and committee chair fees and stock option grants or awards.

5. ***Selection of Compensation Consultants, Legal Counsel and Other Advisers.*** The Committee shall have the authority, in its sole discretion, to retain (or obtain the advice of) any compensation consultant, legal counsel or other advisers (referred to collectively as "advisers") to assist it in the performance of its duties, only after taking into consideration the factors specified in Nasdaq Listing

Rule 5605(d)(3) or any successor provision. However, nothing in this provision requires that any advisers be independent. The Committee need not conduct this independence assessment with respect to (a) in-house legal counsel; or (b) any adviser whose role is limited to (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; or (ii) providing information that either is not customized for a particular 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 Committee shall have direct responsibility for the appointment, compensation and oversight of the work of any advisers engaged for the purpose of advising the Committee, and such advisers shall report directly, and be accountable, to the Committee. The Committee shall have sole authority to approve the reasonable fees and the other terms and conditions of such engagement, including authority to terminate the engagement. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such adviser retained by the Committee. Nothing in this provision requires the Committee to implement or act consistently with the advice or recommendations of any adviser or affects the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

6. ***Administration of Benefit Plans.*** To recommend to the Board the adoption, amendment and termination of the Company's stock option plans, stock appreciation rights plans, pension and profit sharing plans, incentive plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans and similar programs. The Committee shall have full power and authority to administer these plans, establish guidelines, interpret plan documents, select participants, approve grants and awards and any modifications thereof, and exercise such other power and authority as may be permitted or required under such plans. Notwithstanding the foregoing, the Board shall retain the power to act on all such matters without limiting the Committee's authority, subject to compliance with applicable laws and regulations.

7. ***Compensation Discussion and Analysis.*** If the Company is required to prepare a CD&A for use in any of the Company's annual reports on Form 10-K, registration statements, proxy statements or information statements, to review and discuss with management the Company's disclosures contained in the CD&A and make recommendations to the Board whether the CD&A should be approved for inclusion in such reports and statements.

8. ***Compensation Proposals.*** To provide recommendations to the Board on compensation-related proposals to be considered at the Company's annual meeting, including the frequency of advisory votes on executive compensation.

9. ***Conflict of Interest Disclosure.*** The Committee shall review and discuss with management, if appropriate, any conflicts of interest raised by the work of any compensation consultant that had any role in determining or recommending the amount or form of executive or director compensation (except as set forth in clause (a) and (b) of Section 5 above) or was retained by the Committee or management and how such conflict is being addressed for disclosure in the Company's annual proxy statement in accordance with applicable SEC rules and regulations

10. ***Committee Report.*** To prepare and review the Committee report on executive compensation to be included in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.

11. ***Annual Charter Review.*** To review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

12. ***Annual Committee Evaluation.*** To conduct an annual evaluation of the performance of the Committee.

13. ***General Authority.*** To perform such other functions and to have such other powers as may be necessary or appropriate in the efficient and lawful discharge of the foregoing.