

## COMPENSATION COMMITTEE CHARTER

### **I. Overview.**

- A. This document shall be the formal written Charter (the “Charter”) of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Avadel Pharmaceuticals plc, a public limited company incorporated under the laws of Ireland (the “Company”). This Charter hereby replaces and supersedes all former charters of the Committee. The Company shall make this Charter available on the Corporate Governance page of the Investors section of its website at <http://investors.avadel.com>.
- B. The responsibilities granted or delegated to the Committee in this Charter are in each case subject always to Irish law and the Company’s Constitution, and the Committee is authorized to seek any clarifications or waivers from applicable U.S. securities laws and regulations and The Nasdaq Stock Market (“Nasdaq”) rules, as it deems appropriate with respect to the foregoing. To the extent required under applicable U.S. securities laws and regulations and the Nasdaq Stock Market Rules (“Nasdaq Rules”), any such waivers or non-compliance shall be disclosed annually in the Company’s annual report on Form 10-K or such other Form as may be applicable.
- C. The Committee is appointed by the Board to consider, recommend and oversee the Company’s overall compensation structure, policies and programs including its incentive-compensation plans and equity-based plans decided by the Board and to assist the Board in the discharge of the Board’s responsibilities relating to the compensation of the Company’s directors and officers.
- D. The primary objective of the Committee is to develop and implement compensation policies and plans that ensure the attraction and retention of key management personnel, the motivation of management to achieve the Company’s corporate goals and strategies, and the alignment of the interests of management with the long-term interests of the Company’s shareholders.

### **II. Committee Membership.**

- A. The number of individuals serving on the Committee shall be fixed by the Board from time to time but shall consist of at least three (3) members of the Board, appointed for a one (1) year term. The members of the Committee shall meet the independence requirements set forth in Rule 5605(a)(2) of the Nasdaq Rules, subject to any applicable exceptions in the Nasdaq Rules, and any other legal requirements relevant to the proper administration of the Company’s executive compensation program.
- B. At least two (2) members of the Committee also shall qualify as “non-employee” directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended and, to the extent the Board determines it is necessary or appropriate, as “outside directors” within the meaning of Internal Revenue Code Section 162(m).
- C. The members of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance and Nominating Committee. The members of the Committee may be removed and replaced by the Board at any time, with or without cause. Resignation or removal of a director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from the Committee. All replacements shall be made on the recommendation of a majority of the Nominating and Corporate Governance Committee.
- D. The Committee shall elect its Chairman, who shall represent it, as the case may be, vis- à-vis the Board and third parties together with one or more other members of the Committee, or any

other person, whom the Committee may from time to time designate, for such purpose. The Chairman of the Committee shall be elected for a term of one (1) year and shall preside at each meeting. In the event the Chairman of the Committee is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting.

### **III. Committee Powers, Authority, Duties and Responsibilities.**

- A. The Committee shall meet as often as it determines appropriate, in person or by telephone or video conference or other appropriate manner of communicating that enables all participants to hear each other. A majority of the members of the Committee shall constitute a quorum for purposes of holding a meeting and the Committee may act by vote of a majority of members present at a meeting. In lieu of a meeting, the Committee may act by unanimous written consent in accordance with the Company's Constitution.
- B. The Committee shall consider, recommend and oversee the Company's incentive compensation plans and equity-based plans in which the CEO and other executive officers and other employees of the Company may be the beneficiaries, including, but not limited to, (a) approving option grants and restricted stock or other awards to be proposed to the Board for adoption, (b) interpreting the plans, (c) recommending rules and regulations relating to the plans, (d) recommending modifications to or canceling of existing grants or awards and (e) recommending imposing limitations, restrictions and conditions upon any grant or award as the Committee deems necessary or advisable.
- C. The Committee shall (a) review and approve grants and awards under incentive-based compensation plans and equity-based plans, in each case consistent with the terms of such plans review and (b) recommend to the Board policies and procedures for the grant of equity-based awards.
- D. Periodically, the Committee shall review and make recommendations to the Board with respect to the compensation (including, but not limited to, stock option grants and other equity-based compensation) of the Company's directors. In so reviewing and recommending director compensation, the Committee shall:
  - identify corporate goals and objectives relevant to director compensation (including, but not limited to, efforts by the Company to retain such directors and the cost to the Company of the particular director's compensation) and evaluate the performance of the Board in light of such goals and objectives;
  - recommend director compensation based on individual director performance, expertise, experience, qualifications, attributes, skills and willingness to serve actively, and such other factors as the Committee deems appropriate and in the best interests of the Company;
  - review and recommend any long-term incentive component of director compensation based on the awards given to directors in past years, the Company's performance, shareholder return and the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Committee deems appropriate and in the best interests of the Company.

The Committee shall present its recommendations with respect to director compensation to the full Board for its approval.

- E. The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser (“Advisor”) to assist in the evaluation of CEO or other executive officer compensation. The Committee shall be directly responsible for the appointment, termination, compensation and oversight of the work of any Advisor retained by the Committee, including the sole authority to approve the Advisor’s fees and other retention terms.
- F. The Committee may select, or receive advice from, an Advisor, other than in-house legal counsel, only after taking into consideration the following factors specified in Nasdaq Listing Rule 5605(d)(3):
- the provision of other services to the Company by the person that employs the Advisor;
  - the amount of fees received from the Company by the person that employs the Advisor, as a percentage of the total revenue of the person that employs the Advisor;
  - the policies and procedures of the person that employs the Advisor that are designed to prevent conflicts of interest;
  - any business or personal relationship of the Advisor with a member of the Committee;
  - any stock of the Company owned by the Advisor; and
  - any business or personal relationship of the Advisor or the person employing the Advisor with an executive officer of the Company.

The foregoing shall not apply to inside legal counsel or to a Consultant whose role is limited to the following activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K: (i) consulting on a 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 Consultant and about which the Consultant does not provide advice.

Nothing in the above shall be construed: (i) to require the Committee to implement or act consistently with the advice or recommendations of the Advisor; or (ii) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of the duties of the Committee.

- G. The Committee shall also have authority to obtain advice and assistance from internal legal counsel or other such experts, advisors and professionals with whom the Committee may consult.
- H. The Committee shall annually, review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO’s performance in light of those goals and objectives, and based on this evaluation determine, for the CEO, (a) the annual base compensation or salary amount, (b) annual bonus arrangements, if any, (c) any long-term incentive compensation, (d) any employment agreements, severance arrangements, and change in control and similar agreements/provisions, and any amendments, supplements or waivers to the foregoing agreements, in each case as, when and if deemed necessary or advisable and (e) any perquisites, special or supplemental benefits. In determining the above, the Committee shall consider the Company’s performance and relative shareholder return, the value of similar

incentive awards to CEOs at comparable companies and the awards given to the CEO in past years, and may consider such other factors as it deems necessary or advisable. The CEO may not be present during the voting for or deliberations about the CEO's compensation or bonus arrangement.

- I. The Committee shall annually, and at the time of any new hire, review and determine, for the executive officers of the Company other than the CEO, (a) the annual base compensation or salary amount, (b) annual bonus arrangements, if any, (c) any long-term incentive compensation, (d) any employment agreements, severance arrangements, and change in control and similar agreements/provisions, and any amendments, supplements or waivers to the foregoing agreements, in each case as, when and if deemed necessary or advisable and (e) any prerequisites, special or supplemental benefits.
- J. The Committee shall annually assess the desirability of proposing and make recommendations to the Board with respect to any new incentive-compensation plans and equity-based plans and any increase in shares reserved for issuance under existing equity plans.
- K. The Committee shall prepare (or cause to be prepared), review and discuss with management the Compensation Discussion and Analysis (the "CD&A") required to be included in the Company's proxy statement and annual report on Form 10-K by the rules and regulations of the Securities and Exchange Commission (the "SEC") and in accordance with any other laws, rules and regulations applicable to the Company, and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included.
- L. The Committee may form and delegate authority to subcommittees if determined to be necessary or advisable.
- M. The Committee shall make a report to the Board at the next regularly scheduled Board meeting following a meeting of the Committee accompanied by any recommendation to the Board.
- N. The Committee shall produce (or cause to be produced) the annual Compensation Committee Report for inclusion in the Company's proxy statement in compliance with the rules and regulations promulgated by the SEC.
- O. The Committee shall monitor the Company's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers, and with all other applicable laws affecting employee compensation and benefits.
- P. The Committee shall oversee the Company's Compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation and the frequency of such votes, and the requirement under the Nasdaq Rules that, with limited exceptions, shareholders approve equity compensation plans.
- Q. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- R. The Committee shall annually review its own performance, including its compliance with this Charter, and provide the Board with a summary of its review and recommendations.
- S. The Committee shall have such other authority and responsibilities as may be assigned to it from time to time by the Board.
- T. The Committee shall designate a person (who need not be a member of the Committee) to keep minutes of its meetings. The minutes shall be retained by the Secretary of the Company.

**IV. Funding.**

- A. Pursuant to Nasdaq Rule 5605(d)(3), the Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Advisor retained by the Committee.
- B. The Company shall provide for appropriate funding, as proposed by the Committee, for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carry out its duties.

Adopted by the Avadel Pharmaceuticals plc Board of Directors on August 14, 2020.