

**BIOSANTE PHARMACEUTICALS, INC.  
COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS  
CHARTER**

**Organization**

There shall be a standing committee of the board of directors (the “Board”) of BioSante Pharmaceuticals, Inc. (“BioSante”) known as the Compensation Committee (the “Committee”). This charter shall govern the operations of the Committee.

**Membership and Qualifications**

The membership of the Committee shall be appointed by the Board and shall consist of at least two directors. Each member of the Committee shall be an “independent director” within the meaning of the Marketplace Rules of the NASDAQ Stock Market, a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and an “outside director” as defined by Section 162(m) of the Internal Revenue Code of 1986, as amended. The Board shall be responsible for determining whether a Committee member is an “independent director” and meets the other qualifications. Notwithstanding the foregoing, the Board may decide at any time and in its sole discretion to waive one or more of the foregoing qualifications with respect to a new member of the Committee for a transitional time period if then permitted under applicable laws, rules and regulations.

The Board shall appoint one member of the Committee as chair. The chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments, preparing minutes and reporting to the Board. The chair shall also maintain regular liaison with BioSante’s Chief Executive Officer (the “CEO”).

**Purpose**

The primary purpose of the Committee is to:

- assist the Board with respect to the determination of compensation of the CEO and other executive officers;
- administer BioSante’s equity compensation plans;
- review, assess and approve overall company strategies for attracting, developing, retaining and motivating management and employees; and
- annually prepare a report on executive compensation for inclusion in BioSante’s annual report on Form 10-K and annual meeting proxy statement pursuant to which the Committee states that it has reviewed and discussed with management the “Compensation Discussion and Analysis” section and based on such review and discussions makes a recommendation to the Board as to whether the “Compensation Discussion and Analysis” section should be included in the Company’s annual report on Form 10-K and annual meeting proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission (the “SEC”) and any other applicable regulatory bodies.

## **Authority**

The Committee has the power and authority to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary or appropriate to carry out its duties and responsibilities. BioSante shall provide appropriate funding, as determined by the Committee, for any advisors employed by the Committee as well as for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

## **Duties and Responsibilities**

The Committee shall have the power and authority of the Board to perform the following duties and to fulfill the following responsibilities:

- recommend to the Board for its determination the annual salaries, incentive compensation, long term incentive compensation, special or supplemental benefits or perquisites and any and all other compensation applicable to the CEO and other executive officers of BioSante;
- review and make recommendations to the Board regarding employment agreements, severance arrangements, deferred compensation arrangements, change in control agreements/provisions and any other similar compensation arrangements, in each case as, when and if appropriate, for the CEO and the other executive officers of BioSante;
- review and make recommendations to the Board regarding any revisions to corporate goals and objectives with respect to compensation for the CEO and other executive officers of BioSante and establish and lead a process for the full Board to evaluate the performance of the CEO and other executive officers in light of those goals and objectives;
- establish and lead a process for the full Board to conduct an annual performance review of the CEO;
- administer BioSante's equity compensation plans applicable to any employee of BioSante and recommend to the Board specific grants of options and other awards for all executive officers and determine specific grants of options and other awards for all other employees, under BioSante's equity compensation plans;
- make recommendations to the Board regarding BioSante's incentive compensation plans applicable to BioSante's executive officers, including the annual establishment of (i) eligible employees, (ii) performance goals, and (iii) target incentive compensation levels;
- review BioSante's policies with respect to employee benefit plans;
- review and make recommendations to the Board regarding any revisions to BioSante's processes and procedures for the consideration and determination of executive compensation, including but not limited to the role of executive officers in determining or recommending the amount or form of executive compensation and any role of compensation consultants in determining or recommending the amount or form of executive compensation;
- annually review and discuss with management the "Compensation Discussion and Analysis" section and based on such review and discussions make a recommendation to the Board as to whether the "Compensation Discussion and Analysis" section should be included in BioSante's

annual report on Form 10-K and annual meeting proxy statement in accordance with applicable rules and regulations of the SEC and any other applicable regulatory bodies; and

- review and assess the adequacy of this charter annually and recommend any proposed changes to the Board for its approval.

**Delegation to Subcommittees**

The Committee shall have the power and authority to delegate any of its duties and responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion.

Approved by the BioSante Pharmaceuticals, Inc.  
Board of Directors  
March 11, 2008