

RECRO PHARMA, INC.
COMPENSATION COMMITTEE CHARTER

Effective December 14, 2016

I. PURPOSE

The Compensation Committee (the "Committee") shall report to and assist the Board of Directors (the "Board") of Recro Pharma, Inc. (the "Company"). The purpose of the Committee shall be to review the performance and development of the Company's management in achieving corporate goals and objectives and to assure that the Company's executive officers (including the chief executive officer, the "CEO") are compensated effectively in a manner consistent with the strategy of the Company, competitive practice and shareholder interests, as well as such other matters as directed by the Board or this Charter.

II. MEMBERSHIP

The Committee shall be comprised of not less than three members of the Board. Members shall be appointed and may be removed by the Board. All members of the Committee shall be independent directors, as independence is defined in accordance with the rules, regulations and standards of the NASDAQ Capital Stock Market LLC ("NASDAQ") and all other legal requirements, as determined in the business judgment of the Board. In addition, each member of the Committee shall qualify as a "non-employee director" for purposes of Rule 16b-3 of the Securities Exchange Act, as amended, and as an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended. In addition, no member may be a part of a compensation committee interlock within the meaning of Securities and Exchange Commission ("SEC") Regulation S-K. The Board shall appoint one of the members of the Committee as Chairperson. The Chairperson shall chair all meetings of the Committee and perform such other activities as from time to time are requested by the other Committee members or as circumstances dictate. The Committee may form and delegate authority to subcommittees when appropriate.

III. MEETINGS

The Committee shall meet at least once each year. The Committee shall report regularly to the Board with respect to its activities and make recommendations to the Board as appropriate. The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Committee may, in its discretion, invite to any meeting other directors of the Company, members of the Company's management or any other person, including, without limitation, outside counsel or consultants, whose presence the Committee believes to be desirable and appropriate.

IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Committee shall have the following authority and responsibilities:

Compensation Oversight

1. Review the Company's executive compensation program to determine whether the overall program remains competitive and serves its intended purposes, and make

recommendations to the Board as appropriate, including review of compensation-related risk management.

2. Review trends in executive compensation, oversee the development of new compensation plans (including annual and multi-year cash and equity-based incentive programs) and revisions to existing plans, and recommend such new plans, or such revisions to existing plans, as the Committee may deem appropriate to the Board for approval, subject to shareholder approval.
3. Administer, or where appropriate oversee the administration of, executive and equity compensation plans and such other compensation and benefit plans that are adopted by the Company from time to time, with such authority and powers as are set forth in the respective instruments establishing such arrangements.
4. Review and recommend to the Board the appropriate structure and amount of compensation for the Board members, including all forms of cash compensation paid to members of the Board and the grant of all forms of equity compensation provided to members of the Board.
5. If deemed advisable by the Board or the Committee, determine stock ownership guidelines for the CEO and other executive officers and monitor compliance with such guidelines.
6. Oversee the Company's compliance with the rules and regulations of the SEC and NASDAQ related to shareholder approval of certain executive compensation matters and equity compensation plans.
7. Review and approve compensation of all related parties employed by the Company.

Executive Compensation

1. Annually review and recommend to the Board for approval the corporate goals and objectives applicable to the compensation of the CEO and other executive officers, evaluate at least annually the CEO's and other executive officers' performance in light of those goals and objectives, and determine and approve the CEO's and other executive officers' compensation level (including salary, cash and equity-based incentive awards and any personal benefits) based on this evaluation; the Committee shall not permit the CEO to be present at or participate in its voting or deliberations regarding the CEO's compensation.
2. Review and approve the terms of any binding offer letters, employment agreements, termination agreements or arrangements, change-in-control agreements, indemnification agreements and other material agreements executed by the Company with an executive officer of the Company.
3. Review and discuss with management the "Compensation Discussion and Analysis" section of the Company's proxy statement (when required by the rules and regulations of the SEC to be included therein) and based on that review, determine whether or not to recommend to the Board that the "Compensation Discussion and Analysis" be included in the proxy statement, Form 10-K or other document, in accordance with applicable SEC rules and regulations.

4. Prepare an annual report stating it has reviewed and discussed the “Compensation Discussion and Analysis” section with management (when required by the rules and regulations of the SEC to be included therein).

Other Areas of Responsibility and Authority

1. Conduct an annual self-evaluation of its performance in fulfilling its duties and responsibilities under this charter.
2. At least annually, review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval.
3. Consider and implement policies with respect to oversight, assessment and management of risks associated with the Company’s compensation policies.

V. ADVISORS

The Committee has sole discretion and authority to select, retain and terminate any compensation consultants, independent legal counsel or other advisors, including the sole authority to approve their fees and other retention terms. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee. The Committee shall not select or obtain advice from any such expert, outside consultant, external legal, accounting, compensation or other advisor without first taking into consideration the factors relevant to such advisor’s independence specified in NASDAQ Listing Rule 5605(d)(3) and considering and addressing any conflicts of interest between the Company and such advisor, which would require disclosure pursuant to Item 407(e)(3)(iv) of Regulation S-K (or any successor disclosure item). The fees, expenses or compensation owed to any person retained by the Committee and any ordinary administrative expenses of the Committee incurred in carrying out its duties and responsibilities shall be borne by the Company