

**CHARTER OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
OBALON THERAPEUTICS, INC.**

**As adopted August 1, 2018**

**I. PURPOSE**

The Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Obalon Therapeutics, Inc. (the “*Company*”) through delegation from the Board, has principal responsibility to evaluate, recommend, approve and review executive officer and director compensation arrangements, plans, policies and programs maintained by the Company, and to administer the Company’s cash-based and equity-based compensation plans. The Committee may also make recommendations to the Board regarding any other Board responsibilities relating to executive compensation or director compensation.

**II. MEMBERSHIP**

The Committee will consist of two or more members of the Board, with the exact number determined from time to time by the Board. Each member of the Committee will:

- be an “independent director” as defined under the applicable rules, regulations and listing requirements of The Nasdaq Stock Market, as amended from time to time (the “*Exchange Rules*”);
- be “independent” as defined in any other rules and regulations (“*Commission Rules*”) promulgated by the Securities and Exchange Commission (the “*Commission*”) under Section 10C of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”);
- be a “non-employee director,” as defined in Rule 16b-3 under Section 16 of the Exchange Act;
- be free from any relationship that, in the opinion of the Board, after consideration of such factors the Board considers relevant including those factors referenced in Nasdaq Rule 5605(d), would interfere with the exercise of independent judgment as a Committee member; and
- meet any other requirements imposed by applicable law, regulations or rules, subject to any applicable exemptions and transition provisions.

All members of the Committee will be appointed by, and will serve at the discretion of, the Board. The members shall each serve until their respective terms as members of the Board shall expire, subject to earlier resignation or removal by the Board. The Board may appoint a member of the Committee to serve as the chairperson of the Committee (the “*Chair*”); if the Board does not appoint a Chair, the Committee members may designate a

Chair by their majority vote. The Chair will set the agenda for Committee meetings and conduct the proceedings of those meetings.

### III. RESPONSIBILITIES AND DUTIES

The principal responsibilities and duties of the Committee are to:

1. Develop and periodically review the Company's overall compensation strategy, including approach to base salary, incentive compensation and equity-based grants, to assure that it promotes stockholder interests and supports the Company's strategic and tactical objectives. In connection with developing and reviewing overall compensation strategy, the Committee may periodically review and select comparable "peer" companies to use for competitive market comparisons, based on criteria that the Committee deems relevant.
2. Annually review and approve the goals and objectives to be considered in determining the compensation of the Company's Chief Executive Officer (the "**CEO**"), and review and, to the extent determined appropriate by the Committee, approve, the goals and objectives to be considered in determining the compensation of other "executive officers" as defined under Rule 3b 7 and "officers" as defined under Rule 16a 1(f) promulgated under the Exchange Act (collectively with the CEO, the "**Executive Officers**").
3. Review and approve (i) the compensation, including cash-based and equity-based compensation, paid or granted to the Executive Officers, (ii) any employment, severance or retention agreements with the Executive Officers and (iii) any other Executive Officer compensation matters; provided that the Committee may take account of the recommendations of the Board (or any Board member) with respect to Executive Officer compensation. The CEO may not be present during voting or deliberations regarding the CEO's compensation.
4. Periodically review and make recommendations to the Board with respect to adoption of, or amendments to, all cash based and equity based incentive compensation plans and arrangements, and the cash amounts and aggregate numbers of shares reserved for issuance thereunder.
5. Administer and interpret the Company's cash based and equity based compensation plans and agreements thereunder. In addition to the authority to delegate to a subcommittee as set forth below, the Committee may adopt an equity grant policy and delegate to the CEO (either alone or acting together with one or more other officers of the Company) the authority to approve cash awards or make grants of stock options or other rights to acquire Company stock to employees of the Company who are not Executive Officers or directors of the Company.
6. If so directed by the Board, administer and, if deemed necessary, amend the Company's 401(k) plan and any deferred compensation plans (collectively, the "Designated Plans"), and, if desired, delegate the routine administration of the Designated

Plans to an administrative committee consisting of employees of the Company named by the Committee.

7. Recommend to the Board, for determination by the Board, the form and amount of cash based and equity based compensation to be paid or awarded to the Company's non-employee directors, including compensation for service on the Board or on committees of the Board.

8. Periodically review with management the Company's major compensation-related risk exposures and the steps management has taken to monitor or mitigate such exposures.

9. When applicable, consider and make recommendations to the Board regarding the frequency with which stockholder "say on pay" votes should occur.

10. When applicable: (i) review and discuss the Company's "Compensation Discussion and Analysis" disclosure, any narrative disclosure regarding the Company's compensation policies and practices and any other "say on pay" voting material to be included in the proxy statement, as applicable; (ii) based on such review and discussion, recommend to the Board whether such disclosure should be included in the Company's annual report on Form 10 K, proxy statement, information statement or similar document; and (iii) prepare a report of the Committee for inclusion in the annual report or the proxy statement for the Company's annual meeting in accordance with the rules and regulations of the Commission.

11. Perform any other activities required by applicable law, rules or regulations, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate consistent with its purpose.

This Charter is not intended to establish by its own force any legally binding obligations and the duties set forth herein are intended as guidelines, with the understanding that the Committee will carry them out in a manner that is appropriate given the Company's needs and circumstances.

#### **IV. STUDIES AND ADVISERS**

The Committee may conduct or authorize studies of, or investigations into, matters within the Committee's scope of responsibility, with full access to all books, records, facilities and personnel of the Company.

The Committee has the sole authority and right, at the Company's expense, to retain compensation and other consultants, legal counsel, accountants, experts and advisers of its choice to assist the Committee in connection with its functions, including any studies or investigations, and shall have direct oversight of the work performed by such advisers. In connection with the retention of advisers (other than in-house legal counsel), the Committee shall consider such factors related to the independence of such advisers as the Committee considers relevant, including the factors contained in Nasdaq Rule 5605(d)(3).

However, the Committee is not required to determine that any adviser retained is independent – rather, the factors described above must be considered before selecting or otherwise receiving advice from such an adviser.

Without limiting the foregoing, the Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any legal counsel, compensation and other consultants, accountants, experts and advisers retained by the Committee.

## **V. MEETINGS, ACTIONS WITHOUT A MEETING AND STAFF**

The Committee will meet at least twice per year or more frequently, as determined appropriate by the Committee. The Chair, in consultation with the other member(s) of the Committee will set the dates, times and places of such meetings. A quorum of the Committee for the transaction of business will be a majority of its members. Meetings may be held via telephonic- or video-conference. The Committee may also act by unanimous written consent in lieu of a meeting in accordance with the Company's Bylaws. The Committee may exclude from all or a portion of its meetings any person it deems appropriate in order to carry out its responsibilities.

## **VI. DELEGATION OF AUTHORITY**

The Committee may from time to time, as it deems appropriate and to the extent permitted under applicable law, and the Company's Certificate of Incorporation and Bylaws, form and delegate authority to subcommittees.

## **VII. COMPENSATION**

Members of the Committee will receive such fees, if any, for their service as Committee members as may be determined by the Board, which may include additional compensation for the Chair. Such fees may include retainers or per meeting fees and will be paid in such form of consideration as is determined by the Board in accordance with applicable law.

## **VIII. REVIEW OF COMMITTEE COMPOSITION, PERFORMANCE AND CHARTER**

The Committee will evaluate the Committee's composition and performance on an annual basis and submit a report to the Board. The Committee will also review and reassess the adequacy of this Charter periodically, and recommend to the Board any changes the Committee determines are appropriate.

## **IX. PUBLICATION**

The Company will make this Charter freely available to stockholders on request and, provided that the Company is subject to the periodic reporting requirements of the Exchange Act, will publish it on the Company's website.