

INTERCEPT PHARMACEUTICALS, INC.

AUDIT COMMITTEE CHARTER

(as amended July 29, 2019)

I. PURPOSE

The primary purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Intercept Pharmaceuticals, Inc. (the “Corporation”) is to act on behalf of the Board in fulfilling the Board’s oversight responsibilities with respect to the Corporation’s accounting and financial reporting practices, systems of internal control over financial reporting and audit process, as well as the quality and integrity of the Corporation’s financial reports, the qualifications, independence and performance of the Corporation’s independent registered public accounting firm (the “Independent Auditor”), the performance of the Corporation’s internal audit function and the Corporation’s processes for monitoring compliance with legal and regulatory requirements and the Corporation’s Global Code of Business Conduct.

The Committee’s responsibility is oversight. Management is responsible for the Corporation’s financial statements, the appropriateness of the Corporation’s accounting principles and reporting policies and the establishment and maintenance of adequate internal control over financial reporting. The Independent Auditor is responsible for performing an audit of the Corporation’s annual financial statements and the Corporation’s internal control over financial reporting, expressing an opinion as to the conformity of the Corporation’s annual financial statements with generally accepted accounting principles, reviewing the Corporation’s quarterly financial statements and other procedures. Each member of the Committee shall be entitled to rely on (i) the integrity of those persons within the Corporation and of the professionals and experts (such as the Independent Auditor) from which the Committee receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts absent actual knowledge to the contrary and (iii) representations made by the Independent Auditor as to any non-audit services provided by the Independent Auditor to the Corporation.

II. MEMBERSHIP AND PROCEDURES

A. Membership and Appointment

The Committee shall be comprised of not fewer than three members of the Board, as shall be determined from time to time by the Board. The members of the Committee shall be elected by the Board and shall hold office until their resignation or removal or until their successors shall be duly elected and qualified.

All members of the Committee shall satisfy (i) the independence and financial literacy requirements of The Nasdaq Stock Market LLC (“Nasdaq”) applicable to directors and audit committee members, as in effect from time to time, when and as required by Nasdaq and (ii) the independence requirements set forth in Rule 10A-3(b)(1) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Furthermore, at least one member of the Committee shall qualify, and be designated, as an “audit committee financial expert” in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”), as in effect from time to time.

B. Removal

The entire Committee or any individual Committee member may be removed at any time with or without cause by the affirmative vote of a majority of the Board. Any Committee member may resign effective upon giving written notice to the Chairman of the Board, the Secretary of the Corporation, or the Board (unless the notice specifies a later time for the effectiveness of such resignation). The Board may designate a successor to assume the available position on the Committee when the resignation becomes effective.

C. Chairperson

A chairperson of the Committee (the “Chairperson”) may be designated by the Board. In the absence of such designation, the members of the Committee may designate the Chairperson by majority vote of the full Committee membership. The Chairperson shall determine the agenda for and the length of meetings and shall have unlimited access to management and to information relating to the Committee’s purposes. The Chairperson shall establish such other rules as may from time to time be necessary and proper for the conduct of the business of the Committee.

D. Meetings, Minutes and Reporting

The Committee shall meet at least quarterly and at such other times as it deems necessary to carry out its responsibilities. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. The Committee may also act by unanimous written consent in lieu of a meeting.

The Committee shall keep full and complete minutes of the proceedings of the Committee. In addition to the specific matters set forth herein requiring reports by the Committee to the full Board, the Committee shall report such other significant matters as it deems necessary concerning its activities to the full Board. In the absence of the Secretary of the Corporation, the Committee may appoint a Secretary whose duties and responsibilities shall be to keep records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. The Secretary need not be a member of the Committee or a director and shall have no membership or voting rights by virtue of the position.

As part of its job to foster open communication, the Committee shall meet periodically in separate sessions with management, the internal auditors and the Independent Auditor, and have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate.

E. Delegation

The Committee may, by resolution passed by a majority of the Committee members, designate one or more subcommittees, each subcommittee to consist of one or more members of the Committee. Any such subcommittee, to the extent provided in the resolutions of the Committee and to the extent not limited by applicable law, shall have and may exercise all the powers and authority of the Committee. Each subcommittee shall have such name as may be determined from time to time by resolution adopted by the Committee. Each subcommittee shall keep regular minutes of its meetings and report the same to the Committee or the Board when required.

F. Authority to Retain Advisors

In the course of its duties, the Committee shall have authority, in its sole discretion, to retain, obtain the advice of and terminate, accounting, legal and other advisors (referred to collectively as “advisors”), as the Committee deems necessary or advisable to carry out its duties. The Committee shall be directly responsible for the oversight of the work of, and have authority, in its sole discretion, to determine appropriate compensation for, any such advisors retained by the Committee. The Corporation shall be responsible for providing appropriate funding for the payment of reasonable compensation, as determined by the Committee in its sole discretion, to any such advisor that is retained by the Committee.

III. DUTIES AND RESPONSIBILITIES

The Committee shall be directly responsible for the appointment, retention, compensation, evaluation, oversight and, if necessary, termination of the Independent Auditor and any other independent registered public accounting firm engaged by the Corporation (including resolution of disagreements between management and the Independent Auditor or any such other firm regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The Independent Auditor and each such other firm shall report directly to the Committee. The Committee may, in its discretion, seek stockholder ratification of its appointment of the Independent Auditor and make recommendations to the Corporation’s stockholders with respect thereto.

The following shall be recurring duties and responsibilities of the Committee in carrying out its purposes. These duties and responsibilities are set forth below as a guide to the Committee, with the understanding that the Committee may alter or supplement them as appropriate under the circumstances, to the extent permitted by applicable law.

A. Financial Statements and Financial Reporting Process

1. Review and discuss with management and the Independent Auditor the Corporation’s annual financial statements, management’s discussion and analysis related thereto and other disclosures to be made in the Corporation’s Annual Report on Form 10-K prior to the filing thereof, including a discussion with the Independent Auditor of the matters required to be discussed under the applicable requirements of the Public Company Accounting Oversight Board (the “PCAOB”), and recommend to the Board whether such financial statements should be included in the Corporation’s Annual Report on Form 10-K.
2. Review and discuss with management and the Independent Auditor the Corporation’s quarterly financial statements, management’s discussion and analysis related thereto and other disclosures to be made in the Corporation’s Quarterly Report on Form 10-Q prior to the filing thereof, including a discussion with the Independent Auditor of the matters required to be discussed under the applicable requirements of the PCAOB.
3. Discuss with management the Corporation’s earnings press releases and review the type and presentation of information to be included therein, including the use of “pro forma” or “adjusted” non-GAAP information.
4. Review with management and the Independent Auditor the effect of regulatory and accounting pronouncements and initiatives on the Corporation’s financial statements.
5. Discuss with management and the Independent Auditor significant accounting or financial reporting issues and judgments made in connection with the preparation of the Corporation’s financial statements, including any significant changes in the Corporation’s

selection or application of accounting principles, complex or unusual transactions (such as off-balance sheet structures and transactions, if any) and areas requiring significant judgments.

6. In consultation with the Independent Auditor and the internal auditors, review the integrity of the Corporation's financial reporting processes, both internal and external.
7. Report regularly to and review with the full Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements, compliance with legal or regulatory requirements, the performance and independence of the Independent Auditor or the performance of the internal audit function.
8. Discuss with the Independent Auditor the matters required to be discussed under the applicable requirements of the PCAOB relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, any significant disagreements with management and any significant changes in the audit plan.
9. Receive, review and discuss reports and other communications required to be made by the Independent Auditor regarding (i) all critical accounting policies and practices; (ii) any critical audit matters arising from the current period audit; (iii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Independent Auditor; (iv) other material written communications between the Independent Auditor and management, such as any management letter or schedule of unadjusted differences; and (v) all other matters required to be communicated by the Independent Auditor to the Committee under the standards of the PCAOB and SEC rules.
10. Maintain and foster an open avenue of communication among the Committee and the Independent Auditor, the Corporation's financial management and the internal auditors.
11. Annually review and approve the Committee's report for inclusion in the Corporation's proxy statement or any other applicable filing as required by the SEC.
12. Review any other reports the Corporation issues that relate to Committee responsibilities.

B. Internal Controls and Procedures

1. Review and discuss with management, the Independent Auditor and the internal auditors the effectiveness of the Corporation's internal controls, including information technology security and controls, as well as any special steps adopted in light of material control deficiencies and the adequacy of disclosures regarding changes in internal control over financial reporting.
2. Understand the scope of the internal auditors' and Independent Auditor's review of the Corporation's internal control over financial reporting, obtain reports on significant findings and recommendations, together with management's responses, related thereto and review and discuss with management, the Independent Auditor and the internal auditors the Corporation's internal controls report and the Independent Auditor's attestation report prior to the filing of the Corporation's Annual Report on Form 10-K.

3. Review, monitor and oversee the Corporation's processes and procedures to identify, assess and manage financial and enterprise risk, including overseeing the Corporation's enterprise risk management program and reporting any areas of significant risk to the Board.
- C. Internal Audit
1. Review the effectiveness of the internal audit function, including discussing with the Independent Auditor and management the internal audit function's responsibilities, budget and staffing, and review any appointment, replacement or dismissal of the head of the internal audit function.
 2. Review reports prepared by the internal auditors and any recommended changes in the planned scope of the internal audit.
 3. Meet periodically in separate sessions with the internal auditors.
- D. Independent Auditor
1. Review the performance of the Independent Auditor and appoint or terminate the Independent Auditor. The Committee has the sole authority and responsibility to select, evaluate, and where appropriate, replace the Independent Auditor. The Independent Auditor is ultimately accountable to the Committee for the Independent Auditor's review of the financial statements and controls of the Corporation. The Committee shall determine the appropriate compensation of the Independent Auditor.
 2. Approve in advance all audit services and all permitted non-audit services to be performed for the Corporation by the Independent Auditor, subject to the exception for *de minimis* non-audit services set forth in the Exchange Act. The Committee may delegate, to one or more designated members of the Committee, the authority to grant such pre-approvals. The decisions of any member to whom such authority is delegated shall be presented to the full Committee at its next scheduled meeting.
 3. Review the Independent Auditor's proposed audit scope and approach, including the planning and staffing of the audit.
 4. Oversee and ensure the independence of the Independent Auditor by:
 - receiving from, and reviewing and discussing with, the Independent Auditor, at least annually, a formal written statement delineating all relationships between the Independent Auditor and the Corporation consistent with applicable PCAOB requirements;
 - reviewing, and actively discussing with the Independent Auditor, on a periodic basis, any disclosed relationships or services that may impact the objectivity and independence of the Independent Auditor; and
 - ensuring that neither the lead (or coordinating) audit partner having primary responsibility for the audit nor the audit partner responsible for reviewing the audit performs audit services for the Corporation for more than five consecutive fiscal years.
 5. Set clear hiring policies for employees or former employees of the Independent Auditor.

6. Meet periodically in separate sessions with the Independent Auditor.

E. Approval of Related Person Transactions

1. Review and approve, prior to the Corporation's entry into such transactions, all transactions in which the Corporation is or will be a participant that would be required to be disclosed by the Corporation pursuant to Item 404 of Regulation S-K as a result of any of the following persons having or being expected to have a direct or indirect material interest therein (each, a "Related Person Transaction"):

- executive officers of the Corporation;
- directors of the Corporation;
- nominees for election as a director of the Corporation;
- beneficial owners of more than 5% of the Corporation's securities;
- immediate family members of any of the foregoing persons; or
- any other persons whom the Board determines may be considered to be related persons under Item 404 of Regulation S-K.

For purposes hereof, "immediate family member" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, and any person (other than a tenant or employee) sharing the household with the executive officer, director, nominee or greater than 5% beneficial owner.

2. In reviewing and approving such transactions, the Committee shall obtain, or shall direct management to obtain on its behalf, all information that the Committee believes to be relevant and important to a review of the transaction prior to its approval. Following receipt of the necessary information, a discussion shall be held of the relevant factors if deemed to be necessary by the Committee prior to approval. If a discussion is not deemed to be necessary, approval may be given by written consent of the Committee.

3. The Committee or the Chairperson, as the case may be, shall approve only those Related Person Transactions that are determined to be in, or not inconsistent with, the best interests of the Corporation and its stockholders, taking into account all available facts and circumstances as the Committee or the Chairperson determines in good faith to be necessary in accordance with principles of Delaware law generally applicable to directors of a Delaware corporation. No member of the Committee shall participate in any review, consideration or approval of any Related Person Transaction with respect to which such member or any of his or her immediate family members has an interest.

4. No Related Person Transaction shall be entered into or continued prior to the completion of the foregoing procedures. In the event management becomes aware of a Related Person Transaction that has not been previously approved, it shall be submitted to the Committee promptly, and the Committee shall review such Related Person Transaction in accordance with the foregoing procedures, taking into account all of the relevant facts and circumstances available to the Committee. Based on the conclusions reached, the Committee shall evaluate all options, including, without limitation, approval, ratification, amendment or termination of the Related Person Transaction.

5. The Committee shall adopt any further policies and procedures relating to the approval of Related Person Transactions that it deems necessary or advisable from time to time.
- F. General Compliance
 1. Establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
 2. Obtain updates from management and/or the Corporation's advisors regarding, and periodically review the adequacy and effectiveness of, the Corporation's legal, regulatory and compliance programs, as well as the Corporation's Global Code of Business Conduct, including the conflict of interest provisions thereof.
 3. Review the effectiveness of the Corporation's processes for monitoring compliance with legal and regulatory requirements and the Corporation's Global Code of Business Conduct, as well as the results of management investigations (including disciplinary action as a result thereof).
 4. Review and discuss with management and the Independent Auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Corporation's public disclosures, financial statements or accounting policies.
 5. Review any matters or developments that may have a material impact on the Corporation's business and financial statements.
 6. Institute and oversee special investigations as the Committee deems appropriate.
 7. Annually review and reassess the adequacy of this Charter and recommend to the Board any proposed changes for approval.
 8. Annually evaluate the Committee's performance.
 9. Perform any other activities consistent with this Charter, the Corporation's Bylaws, and governing law or regulation, as the Committee or the Board deems necessary or appropriate.