

**BRADLEY PHARMACEUTICALS, INC.**

**CHARTER OF THE  
COMPENSATION COMMITTEE OF  
THE BOARD OF DIRECTORS  
(as amended through April 23, 2004)**

**I. PURPOSE**

The Compensation Committee (the “Committee”) shall evaluate the compensation of the executive officers of Bradley Pharmaceuticals, Inc., a Delaware corporation (the “Company”), and its affiliates (and their performance relative to their compensation) and assure that they are compensated effectively in a manner consistent with the compensation strategy and resources of the Company, competitive practice, and the requirements of the appropriate regulatory bodies. The Committee shall also communicate to stockholders regarding the Company’s compensation policies and the reasoning behind such policies as required by the Securities and Exchange Commission (the “SEC”).

In addition, the Committee shall evaluate and make recommendations regarding the compensation of the directors, including their compensation for services on the committees of the Board of Directors (the “Board”).

**II. MEMBERSHIP AND QUALIFICATION**

**A. Composition**

The Committee shall consist of three (3) or more directors, or such other number as may be designated from time to time by the Board. Committee members shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. Members of the Committee may be removed, with or without cause, by a majority vote of the Board.

**B. Chairman**

Unless a Committee Chairman is appointed by the Board, the Committee members may designate a Chairman after giving consideration to any recommendation of the Nominating and Corporate Governance Committee.

**C. Directors Independence**

Each Committee member must be “independent” in accordance with the applicable rules of the New York Stock Exchange, Inc. In addition, each Committee member must satisfy all requirements from time to time to be “non-employee directors” under SEC Rule 16b-3 and qualified “outside directors” under Section 162(m) of the Internal Revenue Code and related regulations, all as amended from time to time.

### III. MEETINGS AND OTHER ACTIONS

The Committee will meet at least one (1) time a year, or more frequently as circumstances dictate. Meetings may be called by the Chairman of the Committee, the Chairman of the Board and/or the Chief Executive Officer of the Company. All meetings of, and other actions by the Committee, shall be held and taken pursuant to the Bylaws of the Company, including Bylaw provisions governing notice of meetings and waiver thereof, the number of Committee members required to take actions at meetings and by written consent.

#### A. Delegation to Subcommittees

Unless otherwise authorized by the Board, the Committee shall not delegate any of its authority to any subcommittee.

#### B. Reports

Reports of meetings and actions taken at meetings or by written consent by the Committee since the most recent Board meeting (except to the extent covered in an interim report circulated to the Board) shall be made by the Committee Chairman, or his or her delegate, to the Board at its next regularly scheduled meeting following the Committee meeting or action and shall be accompanied by any recommendations from the Committee to the Board. In addition, the Committee Chairman, or his or her delegate, shall be available to answer any questions the other directors may have regarding the matters considered and actions taken by the Committee.

### IV. GOALS, RESPONSIBILITY AND AUTHORITY

#### A. Duties

In carrying out its mission, the Committee shall have the following responsibilities and authority (it being understood that the Committee may condition its approval of any compensation on Board ratification to the extent so required to comply with applicable law, such as Rule 162 (m) of the Internal Revenue Service):

1. Review from time to time, modify if necessary, and approve: (a) the Company's corporate goals and objectives relevant to executive compensation; and (b) the structure of the Company's executive compensation to ensure that such structure is appropriate to achieve the Company's objectives of rewarding the Company's executive officers appropriately for their contributions to the Company's growth and profitability and the Company's other goals and objectives and linking the interests of the Company's executive officers to the long-term interests of the Company's equity owners.
2. Annually evaluate the compensation (and performance relative to compensation) of the Chief Executive Officer and determine the amounts and individual elements of total compensation for the Chief Executive Officer consistent with the Company's corporate goals and objectives and

communicate in the annual Compensation Committee Report to stockholders the factors and criteria on which the Chief Executive Officer's compensation for the last year was based, including the relationship of the Company's performance to the Chief Executive Officer's compensation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards to Chief Executive Officers at comparable companies, and the awards given to the Company's Chief Executive Officer in prior years.

3. Annually evaluate (in conjunction with the Chief Executive Officer) the compensation (and performance relative to compensation) of other executive officers and approve the individual elements of total compensation for each such person and communicate in the annual Compensation Committee Report to stockholders the specific relationship of the Company's performance to executive compensation.
4. Administer and periodically evaluate the terms and administration of the Company's annual and long-term incentive plans to assure that they are structured and administered in a manner consistent with the Company's goals and objectives as to participation in such plans, target annual incentive awards, corporate financial goals, actual awards paid to the Company's executive officers, and total funds reserved for payment under the compensation plans.
5. Administer and periodically evaluate (and approve any proposed amendments to) existing stock option plan and evaluate and approve the adoption of any new equity-related plans and determine when it is necessary (based on advice of counsel) or otherwise desirable: (a) to modify, discontinue or supplement any such plans; or (b) to submit such amendment or adoption to a vote of the Board and/or the Company's stockholders.
6. Evaluate, on an annual basis, the compensation of directors, including for service on the committees of the Board and taking into account the compensation of directors at other comparable companies. Make recommendations to the Board regarding any adjustments in director compensation that the Committee considers appropriate.
7. Approve annual retainer and meeting fees for Board and committees of the Board.
8. Have authority to retain and terminate any compensation consultant engaged to assist in evaluating the compensation of the Company's directors, Chief Executive Officer or other executive officers and to approve such consultant's fees and other terms of retention.

9. Perform an annual self-evaluation of the Committee's performance and annually reassess the adequacy of and, if appropriate, propose to the Board, any desired changes in, the Committee's Charter, all to supplement the oversight authority of the Nominating and Corporate Governance Committee with respect to such matters.
10. Perform such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board of the Company and/or the Chairman of the Board, or as designated in plan documents.

B. Additional Resources

The Committee shall have the right to use reasonable amounts of time of the Company's internal and independent accountants, lawyers and other staff and also shall have the right to hire independent compensation experts, lawyers and other consultants to assist and advise the Committee in connection with its responsibilities. The Committee shall keep the Company's Chairman of the Board and Chief Financial Officer advised as to the general range of anticipated expenses for outside consultants, and shall obtain the concurrence of the Board (in advance or after-the-fact) for expenditures exceeding \$50,000 in any year.