

STRONGBRIDGE BIOPHARMA PLC

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

AS ADOPTED BY THE BOARD ON DECEMBER 6, 2018

I. PURPOSE OF THE COMMITTEE

The purposes of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Strongbridge Biopharma plc (the “**Company**”), a company incorporated and organized under the laws of Ireland, shall be to oversee the accounting and financial reporting processes of the Company and its subsidiaries and the audits of the financial statements of the Company; and to perform such further functions as may be consistent with this Charter or assigned by applicable law, the Company’s constitution or the Board.

II. COMPOSITION OF THE COMMITTEE

The Committee shall consist of three or more independent directors, as determined from time to time by the Board. Each member of the Committee shall be qualified to serve on the Committee pursuant to the independence requirements of the Nasdaq Stock Market (“**Nasdaq**”), the U.S. Securities and Exchange Commission (“**SEC**”), and any additional requirements that the Board deems appropriate. No member of the Committee shall have participated in the preparation of the Company’s or any of its subsidiaries’ financial statements at any time during the past three years.

The members of the Committee shall be appointed by the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until their earlier resignation or death.

The chairperson of the Committee shall be designated by the Board, *provided* that if the Board does not so designate a chairperson, the members of the Committee, by a majority vote, may designate a chairperson.

The Board may remove any member from the Committee at any time with or without cause. No member of the Committee shall be removed except by majority vote of the Board. Any vacancy on the Committee shall be filled by majority vote of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. In addition, at least one member of the Committee must be designated by the Board to be the “audit committee financial expert,” as defined by the SEC pursuant to the Sarbanes-Oxley Act of 2002 (the “**Act**”). In addition, at least one member of the Committee shall be an independent director within the meaning of Irish law and that same member must also have competence in accounting or auditing as required by Irish law.

The Company Secretary or his/her nominee, as agreed with the Chairperson of the Committee, shall act as secretary to the Committee.

III. MEETINGS AND PROCEDURES OF THE COMMITTEE

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than once every fiscal quarter. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee should meet separately on a periodic basis with (i) the Company's financial management personnel, (ii) the director of the Company's internal auditing department, or other person responsible for the internal audit function, if any, and (iii) the Company's independent auditors, in each case to discuss any matters that the Committee or any of the above persons or firms believe warrant Committee attention.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however*, that no subcommittee shall consist of fewer than two members; and *provided further* that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

All matters shall be determined by a majority vote of the members of the Committee present at the meeting.

The Committee shall maintain minutes of its meetings and records relating to those meetings.

The Committee shall (subject to the requirements of Irish law) receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee.

IV. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

In carrying out its duties and responsibilities, the Committee's policies and procedures should remain flexible, so that it may be in a position to best address, react or respond to changing circumstances or conditions. The following duties and responsibilities are within the authority of the Committee and the Committee shall, consistent with and subject to applicable law, including in particular the requirements of Irish law, the constitution of the Company and the rules and regulations promulgated by the SEC, Nasdaq, or any other applicable regulatory authority:

A. Selection, Evaluation, and Oversight of the Auditors

(a) Be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such registered public accounting firm must report directly to the Committee (the registered public accounting firm engaged for the purpose of preparing or issuing an audit report for inclusion in the Company's Annual Report on Form 10-K to be filed with the SEC and in the statutory financial statements of the Company and directors' report thereon to be filed with the Companies Registration Office (in Dublin) with the Company's annual return (the "**Irish Financial Statements**") is referred to herein as the "**independent auditors**");

(b) Review and, in its sole discretion, approve in advance the Company's independent auditors' annual engagement letter, including the proposed fees contained therein, as well as all audit and, as provided in the Act and the SEC rules and regulations promulgated thereunder, all permitted non-audit engagements and relationships between the Company and such independent auditors (which approval may be made after receiving input from the Company's management, if desired). Approval of audit and permitted non-audit services will be made by the Committee or as otherwise provided for in the Audit Committee Independent Auditor Pre-Approval Policy;

(c) Review the performance of the Company's independent auditors, including the lead partner¹; and

(d) Evaluate and oversee the independence of the Company's independent auditors by, among other things:

- (i) obtaining from the Company's independent auditors and reviewing a formal written statement delineating all relationships between the independent auditors and the Company or any of its subsidiaries; and
- (ii) actively engaging in a dialogue with the Company's independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors;

B. Oversight of Annual Audit and Quarterly Reviews

(a) Review and discuss with the independent auditors their annual audit plan, including the timing and scope of audit activities, and monitor such plan's progress and results during the year;

(b) Review with management, the Company's independent auditors and the director of the Company's internal auditing department, or other person responsible for the

internal audit function, if any, the following information, which is required to be reported by the independent auditor:

- (i) all critical accounting policies and practices to be used;
- (ii) all alternative treatments of financial information that have been discussed by the independent auditors and management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors;
- (iii) all other material written communications between the independent auditors and management, such as any management letter and any schedule of unadjusted differences; and
- (iv) any material financial arrangements of the Company which do not appear on the financial statements of the Company;

(c) Review with management and the independent auditors any audit problems or difficulties, including difficulties encountered by the independent auditors during their audit work (such as restrictions on the scope of their activities or their access to information), any significant disagreements with management, and management's response to these problems, difficulties or disagreements; and resolve all disagreements between the Company's independent auditors and management regarding financial reporting;

C. *Oversight of Financial Reporting Process and Internal Controls*

- (a) Review:
 - (i) the adequacy and effectiveness of the Company's accounting and internal control, internal audit and risk management policies, systems, processes and procedures on a regular basis, including the responsibilities, budget, compensation and staffing of the Company's internal audit function, through inquiry and discussions with the Company's independent auditors and management;
 - (ii) the yearly report prepared by management, and attested to by the Company's independent auditors (as necessary), assessing the effectiveness of the Company's internal control over financial reporting and stating management's responsibility for establishing and maintaining adequate internal control over financial reporting prior to its inclusion in the Company's Annual Report on Form 10-K to be filed with the SEC; and
 - (iii) the Committee's level of involvement and interaction with the Company's internal audit function, including the Committee's line of authority and role in appointing and compensating employees in the internal audit function;

(b) Review with the Chief Executive Officer, Chief Financial Officer and independent auditors, periodically, the following:

- (i) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
- (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting;

(c) Discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company, including the internal auditing department, assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;

(d) Review with management the progress and results of all internal audit projects, and, when deemed necessary or appropriate by the Committee, direct the Company's Chief Executive Officer to assign additional internal audit projects to the director of the Company's internal auditing department, or other person responsible for the internal audit function, if any;

(e) Receive periodic reports from the Company's independent auditors, management and director of the Company's internal auditing department to assess the impact on the Company of significant accounting or financial reporting developments that may have a bearing on the Company;

(f) Review and discuss with the independent auditors the results of the year-end audit of the Company and the financial statements proposed to be included in the Company's Annual Report on Form 10-K to be filed with the SEC, including any comments or recommendations of the Company's independent auditors and, based on such review and discussions and on such other considerations as it determines appropriate, recommend to the Board whether such financial statements should be included in the Annual Report on Form 10-K to be filed with the SEC;

(g) Review and discuss with the independent auditors the results of the year-end audit of the Irish Financial Statements, which shall include a review of the Director's Compliance Statement and arrangements and structures designed to secure material compliance with the Company's obligations under the Companies Act 2014, including any comments or recommendations of the Company's independent auditors and, based on such review and discussions and on such other considerations as it determines appropriate, to recommend to the Board whether or not such financial statements should be included or filed.

(h) Review with management, the independent auditors, and the Chief Financial Officer, the Company's annual audited financial statements (including the related

notes) and the disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” prior to submission to the Board for inclusion in the Annual Report on Form 10-K to be filed with the SEC;

(i) Review and discuss with the independent auditors and management the Company’s quarterly financial statements (including the related notes) and the disclosure under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” to be included in the Company’s quarterly report on Form 10-Q before the Form 10-Q is filed with the SEC;

(j) Establish and maintain free and open means of communication between and among the Committee, the Company’s independent auditors, the Company’s internal auditing department and management, including providing such parties with appropriate opportunities to meet separately and privately with the Committee on a periodic basis;

(k) Review the type and presentation of information to be included in the Company’s earnings press releases, as well as financial information and earnings guidance provided by the Company to analysts and rating agencies (which review may be done generally (*i.e.*, discussion of the types of information to be disclosed and type of presentations to be made));

D. Miscellaneous

(a) Establish and implement policies and procedures for the Committee’s review and approval or disapproval of proposed transactions or courses of dealings with respect to which the Company’s executive officers or directors or members of their immediate families have an interest (including all related party transactions required to be disclosed in filings with the SEC);

(b) Meet periodically with the Chief Legal Officer, and outside counsel when appropriate, to review legal and regulatory matters, including (i) any matters that may have a material impact on any financial statements of the Company and (ii) any matters involving potential or ongoing material violations of law or breaches of fiduciary duty by the Company or any of its directors, officers, employees, or agents or breaches of fiduciary duty to the Company;

(c) Prepare the audit committee report required by applicable SEC disclosure requirements to be included in the Company’s annual proxy statement;

(d) Review the Company’s policies relating to the ethical handling of conflicts of interest and review past or proposed transactions between the Company and members of management or directors as well as policies and procedures with respect to officers’ expense accounts and perquisites, including the use of corporate assets. The Committee shall consider the results of any review of these policies and procedures by the Company’s independent auditors;

(e) Review and approve in advance any services provided by the Company's independent auditors to the Company's executive officers or members of their immediate family;

(f) Review the Company's program to monitor compliance with the Company's Code of Business Conduct and Ethics, and meet periodically with the Company's Chief Legal Officer to discuss compliance with the Code of Business Conduct and Ethics;

(g) Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

(h) Establish procedures for the receipt, retention and treatment of reports of evidence of a material violation made by attorneys appearing and practicing before the SEC in the representation of the Company or any of its subsidiaries, or reports made by the Company's Chief Executive Officer or Chief Legal Officer in relation thereto;

(i) Secure independent expert advice to the extent the Committee determines it to be appropriate, including retaining, with or without Board approval, independent counsel, accountants, consultants or others, to assist the Committee in fulfilling its duties and responsibilities, the cost of such independent expert advisors to be borne by the Company;

(j) Review and assess the adequacy of this Charter on an annual basis;

(k) Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate; and

(l) Report to the Board with respect to material issues that arise regarding the quality or integrity of the Company's financial statements, the performance or independence of the independent auditors, the performance of the Company's internal audit function, or such other matters as the Committee deems appropriate from time to time or whenever it shall be called upon to do so.

V. EVALUATION OF THE COMMITTEE

The Committee shall, no less frequently than annually, evaluate its performance. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend such changes as it deems necessary or appropriate. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

VI. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other consultants or advisers as it deems necessary.

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