

THERATECHNOLOGIES INC.

COMPENSATION COMMITTEE CHARTER

I. Mandate

The Compensation Committee (the "Committee") is responsible for assisting the Company's Board of Directors (the "Board") in overseeing the following:

- A. Compensation of Senior Management;
- B. Assessment of Senior Management;
- C. Compensation of Directors;
- D. Stock option grants; and
- E. Overall increase in total compensation.

II. Obligations and Duties

The Committee carries out the duties usually entrusted to a compensation committee and any other duty assigned from time to time by the Board. Specifically, the Committee is charged with the following obligations and duties:

- A. Compensation of Senior Management
 - 1. Develop a compensation policy for the Company's Senior Management, notably the Senior Management compensation structure, annual salary adjustments as well as the creation and administration of short and long term incentive plans, stock options, indirect advantages and benefits proposed by the President and Chief Executive Officer.
 - 2. Review and establish all forms of compensation to Senior Management.
 - 3. Oversee, as required, employment contracts and terminations of Senior Management, notably severance pay.
 - 4. Oversee the Company's annual report on Senior Management compensation as part of the Company's continuous disclosure requirements under applicable laws and regulations.

B. Assessment of Senior Management

1. Develop a written position description for the President and Chief Executive Officer.
2. Establish general objectives annually for the President and Chief Executive Officer of the Company and for other members of Senior Management.
3. Examine and review annually the President and Chief Executive Officer's performance against specific performance criteria pre-established by the Committee.
4. Examine, in collaboration with the President and Chief Executive Officer, the annual performance assessment of other senior managers.

C. Compensation of Directors

1. Recommend to the Board approval of the Directors' Compensation Policy.
2. Examine the compensation of Directors in relation to the risks and duties of their position.

D. Stock Option Grants

1. Oversee, review as needed and recommend Board approval of the Company Stock Option Plan.
2. The Committee may delegate, at its discretion, the plan's administration to members of the Company's Management and employees.
3. Examine, oversee and recommend Board approval of stock option grants, specifically:
 - a. the people to whom options are granted;
 - b. the number of options granted;
 - c. the exercise price of the options;
 - d. the exercise period of the options; and
 - e. all other conditions relating to options granted.

E. Overall Increase in Total Compensation

Approve annually the Company's increase in overall compensation.

III. External Advisors

In discharging its duties and responsibilities, the Committee is empowered to retain external legal counsel or other external advisors, as appropriate. The Company shall provide the necessary funds to secure the services of such advisors.

IV. Composition of the Committee

The Committee is composed of any number of Directors, but no less than three, as may be determined by the Board from time to time by resolution. Each member of the Committee shall be independent from the Company, as determined by the Board, in accordance with applicable laws, rules and regulations.

V. Term of the Mandate

Committee members are appointed by Board resolution to carry out their mandate extending from the date of the appointment to the next annual general meeting of shareholders, or until successors are so appointed.

VI. Vacancy

The Board may fill vacancies at any time by resolution. Subject to the constitution of the quorum, the Committee's members can continue to act even if there is one or many vacancies on the Committee.

VII. Chairman

The Board appoints the Committee Chairman who will call and chair the meetings. The Chairman reports to the Board the deliberations of the Committee and its recommendations.

VIII. Secretary

Unless decided otherwise by resolution of the Board, the Secretary of the Company shall act as Committee Secretary. The Secretary must attend Committee meetings and prepare the minutes. He/she must provide notification of meetings as directed by the Committee Chairman. The Secretary is the guardian of the Committee's records, books and archives.

IX. Meeting Proceedings

The Committee establishes its own procedures as to how meetings are called and conducted. Unless it is otherwise decided, the Committee shall meet privately and independently from Management at each regularly scheduled meeting. In the absence of the regularly appointed Chairman, the meeting shall be chaired by another Committee member selected among attending participants and appointed accordingly. In the absence of the regularly appointed Secretary, Committee members shall designate someone else to carry out this duty.

X. Quorum and Vote

Unless the Board otherwise specifies by resolution, two Committee members shall constitute an appropriate quorum for deliberation of items on the agenda. During meetings, decisions are reached by a majority of votes from Committee members, unless the quorum is of two members, in which case decisions are made by consensus of opinion.

XI. Records

The Committee keeps records that are deemed necessary of its deliberations and reports regularly to the Board on its activities and recommendations.

XII. Effective Date

This charter was adopted by the Directors at its May 3, 2004 Board meeting. It was amended by the Directors during the February 8, 2006 Board meeting.