

# **MANKIND CORPORATION**

## **COMPENSATION COMMITTEE CHARTER**

### **PURPOSE**

The primary purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of MannKind Corporation, a Delaware corporation (the “Company”), shall be to act on behalf of the Board in fulfilling the Board’s responsibilities to oversee the Company’s compensation policies, plans and programs, and to review and determine the compensation to be paid to the Company’s executive officers and directors, as well as to prepare, review and, as appropriate, discuss with management the disclosures and other information to be included in the Company’s annual proxy statement and other filings in accordance with applicable rules and regulations of the Securities and Exchange Commission (the “SEC”), as in effect from time to time. The term “compensation” shall include salary, long-term incentives, bonuses, perquisites, equity incentives, severance arrangements, retirement benefits and other related benefits and benefit plans.

### **COMPOSITION**

The Committee shall consist of at least two (2) members of the Board. All members of the Committee shall satisfy the independence requirements of The Nasdaq Stock Market (“Nasdaq”) applicable to compensation committee members, as in effect from time to time, when and as required by Nasdaq, including any exceptions permitted by these requirements. At least two (2) of the members of the Committee shall satisfy the “non-employee director” standard within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended from time to time (the “Exchange Act”), and the “outside director” standard within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended from time to time (the “Code”). The members of the Committee shall be appointed by and serve at the discretion of the Board. The Board shall fill vacancies occurring on the Committee. The Board shall designate the Committee’s chairperson or, if it does not do so, the Committee shall elect a chairperson by vote of a majority of its members.

### **MEETINGS AND MINUTES**

The Committee shall meet at least four (4) times annually and shall hold such other regular or special meetings either in person or telephonically, or take action by unanimous written consent, as its members shall deem necessary or appropriate. Minutes of each meeting of the Committee shall be prepared and distributed to each director of the Company and the Secretary of the Company promptly after each meeting. The Committee shall report to the Board from time and time and whenever requested to do so by the Board. The majority of the members of the Committee shall constitute a quorum of the Committee. The Chair (or in his or her absence, a member designated by the Chair) shall preside at all meetings of the Committee.

## **ACCESS TO INFORMATION AND RESOURCES**

The Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder. The Committee shall have the authority to obtain, at the Company's expense, advice and assistance from legal, accounting or other advisors and consultants. In addition, the Committee shall have sole authority to retain and terminate any compensation consultant to assist in the evaluation of director, chief executive officer or senior executive compensation, including sole authority to approve such consultant's reasonable fees and other retention terms, all at the Company's expense. Other reasonable expenditures for external resources that the Committee deems necessary or appropriate in the performance of its duties are permitted. Expenditures for external resources (other than for a compensation consultant retained by the Committee) that are expected to be material and outside the ordinary course of the Committee's practices shall be recommended by the Committee for the approval of the Board.

## **DELEGATION OF AUTHORITY**

The Committee may form and delegate authority to subcommittees as appropriate, including, but not limited to, a subcommittee composed of one or more members of the Board to grant stock awards under the Company's equity incentive plans to persons who are not (a) "Covered Employees" under Section 162(m) of the Code, (b) individuals with respect to whom the Company wishes to comply with Section 162(m) of the Code or (c) then subject to Section 16 of the Exchange Act. The operation of the Committee shall be subject to (i) the Bylaws of the Company and (ii) Section 141 of the Delaware General Corporation Law, each as in effect from time to time. The approval of this Compensation Committee Charter shall be construed as a delegation of authority to the Committee and any subcommittee thereof, as applicable, with respect to the responsibilities set forth herein.

## **DUTIES AND RESPONSIBILITIES**

To implement the Committee's purpose, the Committee shall be charged with the following duties and responsibilities, with the understanding, however, that the Committee may supplement or deviate from these activities as appropriate under the circumstances, except as otherwise required by law or the applicable rules of Nasdaq:

**1. Overall Compensation Strategy.** The Committee shall review, modify (as needed) and approve the overall compensation strategy and policies for the Company, including:

- reviewing and approving corporate performance goals and objectives relevant to the compensation of the Company's executive officers;
- evaluating and approving the compensation plans and programs advisable for the Company, as well as modification or termination of the Company's existing plans and programs, as appropriate;
- establishing policies with respect to equity compensation arrangements; and

- reviewing and approving the terms of any employment agreements, severance arrangements, change-of-control protections and any other compensatory arrangements (including perquisites and any other form of compensation) for the Company's executive officers.

**2. Compensation of Chief Executive Officer.** The Committee, meeting in executive session, shall recommend to the Board for approval the compensation and other terms of employment of the Company's Chief Executive Officer and shall evaluate the Chief Executive Officer's performance in light of relevant corporate performance goals and objectives.

In recommending 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 given to chief executive officers of comparable companies, the awards given to the Company's Chief Executive Officer in past years, and such other criteria as the Committee deems advisable.

**3. Compensation of Other Executive Officers.** The Committee shall review and approve the individual and corporate performance goals and objectives of the Company's other executive officers that are periodically established. The Committee shall recommend to the Board for approval the compensation and other terms of employment of each such executive officer, taking into consideration the executive officer's success in achieving his or her individual performance goals and objectives and the corporate performance goals and objectives deemed relevant to the executive officer as established by the Committee or the Board. The Company's Chief Executive Officer may be present during these deliberations, but may not vote on these matters. Notwithstanding the foregoing, the Committee may review and approve equity awards granted to executive officers, provided that such equity awards are consistent with the guidelines established pursuant to Paragraph 5 below.

**4. Compensation of Directors.** The Committee shall recommend to the Board the type and amount of compensation to be paid or awarded to Board members, including retainer and Board meeting, committee and committee chair fees and stock option grants or other equity awards.

**5. Administration of Benefit Plans.** The Committee shall recommend to the Board the adoption, amendment and termination of the Company's stock option plans, stock appreciation rights plans, pension and profit sharing plans, incentive plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans and similar programs. The Committee shall have full power and authority to administer these plans, establish guidelines for those plans, interpret plan documents, select plan participants, approve plan grants and awards, and exercise such other power and authority as may be permitted or required under such plans.

**6. Insurance Coverage.** The Committee shall review and establish appropriate insurance coverage for the Company's directors and executive officers.

**7. Proxy Statement.** The Committee shall review and discuss with management the Company's disclosures under the caption "Compensation Discussion and Analysis" to be included in the Company's proxy statement (or annual report on Form 10-K, information statement or other filing) in accordance with applicable SEC rules and regulations and make a

recommendation to the Board whether such Compensation Discussion and Analysis be included in such proxy statement or other filing. The Committee shall prepare and review the Compensation Committee Report to be included in the Company's proxy statement or other filing in accordance with applicable SEC rules and regulations.

**8.** *Committee Self-Assessment.* The Committee shall review, discuss and assess its own performance at least annually. The Committee shall also periodically review and assess the adequacy of this Charter, including the Committee's role and responsibilities as outlined in this Charter, and shall recommend any proposed changes to the Board for its consideration and approval.