



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 review and discuss with management the Company’s disclosures and other information to be contained under the caption “Compensation Discussion and Analysis” (“CD&A”) for use in any of the Company’s annual reports on Form 10-K, registration statements, proxy statements or information statements, and to prepare and review the Committee report on executive compensation 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 to 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, including human resources personnel preparing the CD&A for the Company's reports to be filed with the SEC.

COMPENSATION CONSULTANTS AND OTHER ADVISORS

The Committee shall have the authority in its sole discretion to retain or obtain, at the Company's expense, the advice and assistance of any compensation consultant, legal counsel, or other advisor. In addition, the Committee shall be directly responsible for the appointment, compensation and oversight of the work of such compensation consultant, legal counsel or other advisor; provided, however, that in the exercise of its judgment the Committee shall not be required to implement or act consistently with the advice or recommendations of any compensation consultant, legal counsel or other advisor. The Committee shall have sole authority to approve the reasonable fees and the other terms and conditions of such engagement, including authority to terminate the engagement. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such advisor retained by the Committee. 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, legal counsel or other advisor, as set forth above) 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. The Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor only after considering the factors set forth in Rule 10C-1(b)(4) of the Exchange Act and the factors specified in Nasdaq Listing Rule 5605(d)(3) or any successor provision.

The Committee need not conduct this independence assessment with respect to (a) in-house legal counsel, or (b) any advisor whose role is limited to (i) consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors of the Company and that is available generally to all salaried employees, or (ii) providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the advisor and about which the advisor does not provide advice.

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 recommending to the Board for approval the compensation plans and programs advisable for the Company, as well as evaluating and recommending to the Board for approval the modification or termination of the Company's existing plans and programs, as appropriate;
- establishing policies with respect to equity compensation arrangements;
- 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; and
- reviewing and considering the results of any advisory vote on executive compensation.

2. *Compensation of Chief Executive Officer.* The Committee shall recommend to the Board for determination and 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. The Chief Executive Officer may not be present during the voting or deliberations regarding his or her compensation.

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 (as that term is defined in Section 16 of the Exchange Act and Rule 16a-1 thereunder) that are periodically established. The Committee shall recommend to the Board for determination and 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. *Compensation Proposals.* The Committee shall provide recommendations to the Board on compensation-related proposals to be considered at the Company's annual meeting, including the frequency of advisory votes on executive compensation.

9. *Management Succession.* The Committee shall periodically review with the Chief Executive Officer of the Company the plans for succession to the offices of the Company's Chief Executive Officer and other key executive officers and make recommendations to the Board with respect to the selection of appropriate individuals to succeed to these positions.

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