

**CHARTER OF THE NOMINATIONS AND
GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS OF
INSMED INCORPORATED**

December 7, 2011

I. Organization and Composition

There shall be constituted a standing committee of the board of directors (the “*Board*”) of Insmmed Incorporated (the “*Corporation*”) known as the Nominations and Governance Committee (the “*Committee*”).

The Committee shall be comprised of two or more directors. All members of the Committee shall satisfy the independence requirements of The NASDAQ Stock Market, LLC (“*NASDAQ*”) as then in effect (the “*NASDAQ Rules*”). Under limited circumstances and only to the extent and for such amount of time as is absolutely necessary, the Committee may avail itself of any exceptions to the independence requirements set forth in the preceding sentence that are permitted by the NASDAQ Rules.

The members of the Committee shall be appointed by the Board at the Board’s annual meeting and may be removed by the Board, with or without cause. Each member of the Committee shall serve for one year or until his or her successor is duly appointed and qualified. Unless a Chairman is appointed by Board, the members of the Committee shall designate a Chairman by majority vote of the full Committee membership. The Chairman (whether appointed by the Board or elected by the members of the Committee) may be removed from the office of Chairman of the Committee or removed from the Committee altogether by the Board, with or without cause. Any vacancies on the Committee may be filled by an appointment of the Board at any time.

The duties and responsibilities of Committee members contained herein shall be in addition to those duties otherwise required for members of the Board.

II. Meetings and Action of the Committee

The Committee shall meet as often as may be deemed necessary or appropriate in its judgment, but at least once per calendar year. The Chairman or a majority of the members of the Committee may call meetings of the Committee. All members of the Committee shall be given at least 24 hours advance notice of any meeting of the Committee. Notice of Committee meetings may be made orally, in writing or electronically, including, without limitation, via electronic mail, facsimile, telephone, courier/personal delivery, postal mail or any combination of the foregoing. Meetings may be held telephonically or by any other means which allows all of the members of the Committee to hear each other during the conduct of the meeting.

The Committee may invite to its meetings any director, member of management of the Corporation, or such other persons as it deems appropriate in order to carry out its responsibilities. Conversely, the Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

A majority of the members of the Committee shall constitute a quorum for the transaction of business at a meeting and the act of a majority of the Committee members present shall be the act of the Committee. In lieu of a meeting, the Committee may act by unanimous written consent.

The Committee shall maintain minutes of meetings and shall report to the Board, including any recommendations the Committee deems appropriate, following each meeting of the Committee at the next regularly scheduled meeting of the Board or sooner, as circumstances may dictate.

III. Purpose and Objectives

The Committee's purpose shall be to serve as an independent and objective party to identify and nominate qualified candidates for directorship and to take a leadership role in shaping the Corporation's corporate governance, including, without limitation, overseeing the evaluation of the Board and its committees. Further to its purpose, the Committee shall:

- assist the Board by identifying and recruiting individuals qualified to become Board members and to recommend to the Board the director nominees for the next annual meeting of shareholders;
- recommend to the Board directors to be appointed as members to each committee of the Board;
- oversee the governance of the Corporation including, without limitation, annually reviewing and updating as necessary, the corporate governance guidelines, Board committee charters and other corporate governance materials of the Corporation;
- lead the Board in its annual review of the Board's performance and oversee the evaluation of each of the Board's Committees; and
- oversee the management continuity planning process.

The Committee's objectives are to ensure that (i) the Board consists of a diversified group of individuals with strong business experience, good judgment and high integrity; (ii) that the members of the Board and the Corporation's management and employees adhere to a high ethical standard in performing their respective duties; and (iii) that the Corporation operates under good corporate governance principles.

IV. Authority

The Committee shall have the authority to retain and terminate any search firm to be used to identify director candidates and shall have authority to approve the search firm's fees and other retention terms. The Committee also shall have authority to obtain advice and assistance from internal or external legal, accounting and other advisors and incur expenses in connection with such advice and assistance.

From time to time, the Committee shall have the authority to form subcommittees and delegate authority to subcommittees or other persons as and when appropriate.

V. Responsibilities and Duties

In furtherance of the Committee's purpose and objectives, the Committee's specific responsibilities and duties shall be as follows:

- Review, at least annually and more frequently as it deems necessary or appropriate, the organization, structure, composition and operations of the Board and its committees, including, without limitation, Board procedures, the scheduling of meetings, information flow to Board members and the structure and membership of the Board's committees, both standing and ad hoc, taking into account the Corporate Governance Guidelines (defined below), NASDAQ Rules and any other relevant rules or proposals set forth by the Securities and Exchange Commission or NASDAQ and shall recommend to the Board the adoption of any changes the Committee believes necessary or desirable.
- Actively seek, identify and recommend to the Board individuals qualified to become Board members, consistent with criteria approved by the Board, and assist the Board in establishing such criteria based on factors it considers appropriate such as strength of character, maturity of judgment, career specialization, relevant technical skills, diversity, independence and the extent to which the candidate would fill a present need on the Board.
- Evaluate director nominees submitted by the Corporation's shareholders using the same criteria used to assess other potential nominees identified by the Committee.
- Recommend to the Board nominees for election as directors (such recommendation shall be made in a timely fashion so as to allow for full consideration of such nominees by the Board prior to their presentation to shareholders).
- Evaluate questions of independence and possible conflicts of interest of members of the Board and director nominees, including, without limitation, whether members of the Board or director nominees have special interests or a specific agenda that would impair his or her ability to effectively represent the interests of all shareholders.
- Recommend to the Board directors to be appointed as members of each of the Board's committees and, where appropriate, the Chairman of such committees.
- Make recommendations to the Board regarding the size of the Board as well as the tenure and classifications of directors, whether or not term limits and age caps should be imposed and whether directors should stand for re-election or not.
- Receive comments from all directors and report annually to the Board with an assessment of the Board's performance, to be discussed with the Board following the

end of each fiscal year; consider, discuss and recommend ways to improve the Board's effectiveness.

- Conduct and coordinate with each other committees of the Board, the annual Board committee self-assessment process.
- Annually review and reassess the adequacy, and monitor the implementation of, any corporate governance guidelines of the Corporation ("***Corporate Governance Guidelines***") and the Corporation's Code of Business Conduct and Ethics ("***Code of Ethics***") and recommend any proposed changes to the Board for approval.
- Implement and oversee the Corporation's annual review of corporate policies and ensure that all members of the Board, the Corporation's management and employees of the Corporation understand and agree to abide by such corporate policies in effect.
- Consider other corporate governance and related issues, including, without limitation, public policy issues that may affect the Corporation.
- Consider the adequacy of the Corporation's articles of incorporation and the bylaws of the Company and recommend to the Board, proposed amendments to such articles of incorporation or bylaws.
- Oversee and approve the management continuity planning process, review plans relating to the succession of the chief executive officer and other executive officer positions, and make recommendations to the Board with respect to the selection of individuals to occupy these positions.

VI. Consistency with Articles of Incorporation and Bylaws

To the extent that any provision or section of this charter may be inconsistent with any article, provision or section of the articles of incorporation or bylaws of the Corporation, the articles of incorporation or bylaws, as appropriate, shall fully control.

VII. Additional Responsibilities and Authority

The Committee shall perform an annual self-assessment of its performance and shall, at least annually, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

The Committee shall perform any other activities that are (i) consistent with the intent of this Charter, the Corporation's articles of incorporation or bylaws, and applicable law; (ii) deemed by the Committee appropriate in light of the Committee's purpose and objectives or to carry out its duties and responsibilities; or (iii) otherwise requested by the Board.