

# NEKTAR THERAPEUTICS

## CHARTER OF THE ORGANIZATION AND COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

### **Purpose:**

The Purpose of the Organization and Compensation Committee (the “*Committee*”) of the Board of Directors of NEKTAR THERAPEUTICS, a Delaware corporation (the “*Company*”), shall be to review Management’s recommendations for organization structure and development of the Company and the type and level of compensation for directors, officers, employees and compensation consultants of the Company, and to recommend compensation actions to the Board of Directors of the Company (the “*Board*”).

The Purpose of the Committee shall also be to administer the variable compensation programs to be adopted by the Company and to perform such other functions as may be deemed necessary or convenient in the efficient and lawful discharge of the foregoing. In administering the foregoing, the Committee is to ensure that executive management is rewarded appropriately and competitively for its contributions to the growth, development and long-term success of the Company; that executive compensation strategy is in support of the Company’s objectives and shareholder interests; that the incentive compensation program (*e.g.*, stock options, restricted stock, and the like) is administered consistent with the Company’s compensation strategy.

Overall, the Committee’s responsibility is to ensure to the degree possible that the Company’s total compensation program is timely designed to attract, retain and motivate the very best talent that is available.

### **Composition:**

The Committee shall be comprised of a minimum of two (2) members of the Board, all of whom shall be non-employee directors and shall satisfy the independence requirements established by the applicable laws, rules and regulations of the Securities and Exchange Commission and the Nasdaq Stock Market. The members of the Committee and its Chairperson will be appointed by and serve at the discretion of the Board.

### **Functions and Authority:**

The operation of the Committee shall be subject to the Bylaws of the Company, as in effect from time to time, and Section 141 of the Delaware General Corporation Law. The Committee shall have the full power and authority to carry out the following responsibilities:

1. Review and approve the structure and guidelines for various incentive compensation and benefit plans and recommend for the Board’s approval incentive compensations plans in which the Chief Executive Officer participates.
2. Grant stock awards under the various equity incentive compensation and benefit plans and delegate certain administrative authority to an option grant subcommittee.

3. Recommend for the Board's approval, the compensation levels for the Chairman and Chief Executive Officer, including, but not limited to, annual salary, bonus, equity compensation and other direct or indirect benefits.
4. Approve the compensation levels for the Section 16(b) officers of the Company (other than the Chief Executive Officer) and those vice-president level employees that report directly to the Chief Executive Officer, including, but not limited to, annual salary, bonus, equity compensation and other direct or indirect benefits. Inform the Board on the compensation levels for the Section 16(b) officers of the Company and those vice-president level employees that report directly to the Chief Executive Officer.
5. Recommend for the Board's approval, the compensation levels for the members of the Board who are outside directors.
6. Review on a periodic basis the operation of the Company's executive compensation programs to determine whether they remain supportive of the Company's business objectives and are competitive relative to comparable companies and to establish and periodically review policies for the administration of executive compensation programs.
7. Prepare and approve the Compensation Committee report to be included as part of the Company's annual proxy statement.
8. Perform such other functions and have such other powers as may be necessary or convenient in the efficient discharge of the foregoing.
9. Review management recommendations on organization structure and development, including succession planning and any performance concerns for vice-president level employees that report directly to the Chief Executive Officer.

**Meetings:**

The Committee will hold at least one (1) regular meeting per year and additional meetings, as the Chairperson or Committee deems appropriate. The President and Chief Executive Officer of the Company may attend any meeting of the Committee, except for portions of the meetings where his, her or their presence would be inappropriate, as determined by the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor, the internal auditor, any other financial personnel employed or retained by the Company or any other person whose presence the Committee believes to be necessary or appropriate. Notwithstanding anything to the contrary set forth herein, the Chief Executive Officer may not be present for any portion of any meeting of the Committee at which the compensation of the Chief Executive Officer is deliberated or voted upon.

The Committee shall have the sole authority, as it deems appropriate, to retain and/or replace, as needed, any independent counsel, compensation and benefits consultants and other

outside experts or advisors as the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee in its sole discretion, for payment of compensation to any such persons retained by the Committee.

**Minutes and Reports:**

Minutes of each meeting of the Committee shall be kept and distributed to each member of the Committee, each member of the Board who is not a member of the Committee and the Secretary of the Company. The Committee shall report to the Board from time to time, or whenever so requested by the Board.