

## Lannett Compensation Committee Charter

### **Purpose**

The Compensation Committee (the "Committee") is established by the Board of Directors (the "Board") of Lannett Company, Inc. (the "Company") for the purpose of assisting the Board in fulfilling its compensation duties such as:

- Establishing the Company's compensation philosophy which serves as the foundation for all policies and programs involving employee remuneration
- Determining the CEO's compensation based on corporate goals and objectives
- Advising the Board with respect to non-CEO executive officer compensation
- Preparing the required Compensation Discussion and Analysis report
- Determining Board of Director compensation

### **Membership**

The Committee shall consist of at least three directors, all of whom shall meet the independence requirements set forth in Sections 303A.02(a) of the NYSE Listed Company Manual. Additionally, the Committee as a whole shall satisfy all requirements of Section 303A.05 of the NYSE Listed Company Manual. Committee members shall be appointed by the Board and may be removed by the Board at any time. Unless a Chair is designated by the Board, the members of the Committee may elect the Chair.

### **Operation**

The Committee shall meet as necessary to fulfill its responsibilities. Members of the Committee shall be notified in advance of each meeting. The presence in person or by telephone of a majority of the members of the Committee shall constitute a quorum for the transaction of Committee business. The Committee may act outside of meetings by unanimous written consent of its members. The Chairperson has responsibility to ensure that accurate minutes of the Committee meetings are maintained and distributed in a timely manner to the other members of the Board.

### **Authority**

The Committee may, in its sole discretion, retain, terminate, or obtain the advice of a compensation consultant, independent legal counsel or other adviser, including the authority to approve fees and terms/conditions of such engagements. The Committee also has the authority to delegate its authority to a subcommittee.

### **Responsibilities**

In carrying out its responsibilities, the Committee shall seek to achieve the Board's objective of providing the Company with compensation programs and employment arrangements that will attract, retain, motivate and reward key personnel. These arrangements will be externally competitive and internally equitable, and be based on and reflective of performance.

In addition to other responsibilities which may be assigned from time to time by the Board, the Committee shall have the direct responsibility for the following matters:

### *CEO Compensation*

The Committee shall review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and determine the CEO's compensation level.

### *Non-CEO Executive Officer Compensation*

The Committee shall make recommendations to the Board with respect to non-CEO executive officer compensation, and incentive-compensation and equity-based plans that are subject to Board approval.

### *Employment Agreements*

The Committee shall review and recommend to the Board for approval of any agreement between the Company and any employee relating to the employment, severance, or compensation of such person.

### *Disclosure Preparation*

The Committee shall prepare the disclosure required by Item 407(e)(5) of Regulation S-K as required by the Securities and Exchange Commission to be included in the Company's annual proxy statement or annual report filed on Form 10-K.

### *Independent Consultants*

The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by the Committee. The Company shall provide for appropriate funding, as determined by the compensation committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee.

The Committee may select a compensation consultant, legal counsel or other adviser to the Committee only after taking into consideration, all factors relevant to that person's independence from management, as listed in Section 303A.05(c)(iv) of the NYSE Listed Company Manual.

### *Director Compensation*

The Committee shall annually review the compensation of Directors, which shall be set by the Board based upon the recommendation from the Committee. Non-management Directors shall receive an annual retainer as compensation for service on the Board and any Board committees. Additionally, all Directors shall be eligible to participate in the Company's Long Term Incentive Plan. Expenses for meeting attendance and other business-related expenses are reimbursed in accordance with Company policy.

### *Equity-based Compensation*

The Committee shall have the responsibility and authority to adopt and amend long term incentive programs including but not limited to stock grant, stock option, and restricted stock awards, or other equity based incentives, subject to stockholder approval where appropriate.

*401k Plan*

The Committee shall review the Company's 401k Plan and its Plan Administrator on an annual basis and if applicable recommend any proposed changes to the Board for approval.

*Self-Evaluation*

The Committee shall evaluate its performance annually and make a report to the Board.

*Committee Charter*

The Committee shall review and assess the adequacy of this charter on an annual basis and recommend proposed changes to the Board for approval.

*Approved by the Board of Directors: January 23, 2019*