

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF
INSMED INCORPORATED**

As Amended November 6, 2018

I. Organization and Composition

There shall be constituted a standing committee of the board of directors (the “**Board**”) of Insmmed Incorporated (the “**Company**”) known as the Audit Committee (the “**Committee**”).

The Committee shall be comprised of not less than three directors. All members of the Committee shall be “independent” within the meaning of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), the rules promulgated by the Securities and Exchange Commission (the “**SEC**”) under the Exchange Act (the “**SEC Rules**”) and the rules of The NASDAQ Stock Market LLC (the “**NASDAQ Rules**”), as determined by the Board.

All members of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement, in compliance with the NASDAQ Rules. Furthermore, at least one member of the Committee shall be an “audit committee financial expert,” as such term is defined by the SEC.

To promote independence and to otherwise avoid any potential conflicts of interest, members of the Committee may not: (i) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof (other than fees and equity received as compensation for serving as a director); (ii) be an affiliated person of the Company or any of its subsidiaries; or (iii) have participated in the preparation of the Company’s or any of its current subsidiaries’ financial statements at any time during the past three years.

Because of the significant time commitment involved in serving as a member of an audit committee, no member of the Committee may serve on the audit committee of more than three public companies, including the Company’s audit committee, unless the Board determines that such simultaneous service would not impair the ability of such member to serve effectively on the Committee and discloses such determination in the Company’s annual proxy statement.

The members of the Committee shall be appointed by the Board 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 Chair is appointed by the Board, the members of the Committee shall designate a Chair by majority vote of the full Committee membership. The Chair (whether appointed by the Board or elected by the members of the Committee) may be removed from the office of Chair of the Committee by the Board, with or without cause.

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 Chair will work with the Company to set the agenda for Committee meetings and will circulate reasonably in advance of each meeting an agenda of matters to be addressed at the meeting. The Chair or any other member of the Committee may call meetings of the Committee in accordance with the Corporation's bylaws. The Chair will preside over Committee meetings. If the Chair is absent from a meeting, the members of the Committee may appoint any other member to preside.

The Committee shall meet as often as may be deemed necessary or appropriate in its judgment, but at least once per calendar quarter. 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 Company, 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 at a meeting at which a quorum is present shall be the act of the Committee. The Committee shall be governed by the same rules regarding waiver of notice as are applicable to the Board. 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 primary purpose of the Committee shall be to assist the Board in fulfilling its oversight responsibilities relating to the accounting, reporting and financial practices of the Company and its subsidiaries, as well as to oversee the Company's compliance with applicable legal and regulatory requirements, by reviewing and overseeing: the Company's systems of internal controls regarding finance and accounting that management and the Board have established;

- the Company's auditing, accounting and financial reporting processes, including the audits of the Company's financial statements;
- the qualifications and independence of the Company's independent registered public accounting firm ("***Independent Auditor***");
- the appointment, retention and performance of the Independent Auditor and the performance of any internal audit functions; and

- the Company’s compliance with legal and regulatory requirements.

As part of its primary objective to provide an independent, direct and open avenue of communication among the Independent Auditor, management and any Company personnel in charge of internal auditing and the Board, the Committee shall meet periodically with each of the Company’s management, any internal audit personnel, the Independent Auditor and the Company’s General Counsel or Chief Legal Officer in separate executive sessions to discuss any matters that the Committee or any of these groups believes should be discussed privately. In addition, the Chair of the Committee shall meet at least once per calendar quarter, in person or by telephone, with the Independent Auditor and the Company’s Chief Financial Officer to review the Company’s financial statements.

IV. Authority

The Committee shall have the authority to conduct or authorize investigations into any matters within its scope of responsibilities. The Committee also shall have the authority, in its sole discretion, to retain or obtain the advice of accountants, outside counsel, experts and accounting or other advisors as it determines appropriate to assist it in the full performance of its functions. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such advisors and for the payment of ordinary administrative expenses that are necessary or appropriate in carrying out the Committee’s duties.

The responsibilities and duties set forth in this Charter are the sole responsibility of the Committee and may not be allocated to a different committee without prior approval of the Board. As and when appropriate in light of the foregoing, 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:

Financial Statement and Disclosure Matters

- Review and discuss the quarterly unaudited and annual audited financial statements with management and the Independent Auditor (including the Company’s specific disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and, with respect to the annual audited financial statements, the Independent Auditor’s reports related to the financial statements), prior filing its Quarterly Report on Form 10-Q or Annual Report on Form 10-K, as applicable.
- Review and discuss with the Independent Auditor and the Company’s management any items appropriate or required to be discussed in accordance with applicable standards of the Public Company Accounting Oversight Board (“*PCAOB*”) in connection with the preparation of the Company’s financial statements.

- Recommend to the Board whether to include the annual audited financial statements in the Company's Annual Report on Form 10-K for the applicable fiscal year.
- Periodically review the Company's financial reporting and accounting standards and principles, significant changes in such standards or principles or in their application and the key accounting decisions affecting the Company's financial statements.
- Review with the Independent Auditor (i) the critical accounting policies and practices used by the Company, (ii) all alternative treatments of financial information within generally accepted accounting principles that the Independent Auditor has discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the Independent Auditor, (iii) material written communications between the Independent Auditors and the Company's management, such as any management letter or schedule of unadjusted differences and (iv) any difficulties encountered in the course of the audits, including any restriction on the scope of work or access to required information.
- Review and discuss earnings press releases, and corporate practices with respect to earnings press releases and financial information, including non-GAAP financial measures, and earnings guidance provided to investors, analysts and ratings agencies.
- Oversee the preparation of the report of the Committee required by the rules and regulations promulgated by the SEC to be included in the Company's annual proxy statement or Annual Report on Form 10-K, as applicable.

Oversight of the Independent Auditor

- Appoint and oversee the work of the Independent Auditor. In this regard, the Committee will have the sole authority to appoint, compensate, retain, evaluate and terminate the Independent Auditor, which will report directly to the Committee. The Committee may consult with management but shall not delegate these responsibilities to management.
- Review and approve the proposal for audit planning, scope and staffing developed by the Independent Auditors.
- Have the sole authority to, and shall, review and pre-approve, either pursuant to the Committee's Pre-Approval Policy or through a separate pre-approval by the Committee, (i) all audit services, including the compensation of the Independent Auditor and all audit engagement fees and terms, and (ii) any engagement of the Independent Auditor to provide any permitted non-audit service to the Company that is not prohibited by law.
- Receive and review reports, at least annually, prepared by the Independent Auditor regarding:
 - the Independent Auditor's internal quality-control procedures; and

- any material issues raised by the most recent internal quality-control review, or peer review, of the Independent Auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Independent Auditor, and any steps taken to deal with any such issues.
- At least annually, assess the qualifications, performance and independence of the Independent Auditor and, consistent with the rules of the PCAOB, obtain and review a report by the Independent Auditor describing any relationships between the Independent Auditor and the Company or individuals in financial reporting oversight roles at the Company that may reasonably be thought to bear on the Independent Auditor's independence, and discuss with the Independent Auditor the potential effects of any such relationships on independence. As part of this process, the Committee should consider the views of management and evaluate whether the Independent Auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the Independent Auditor's independence. The Committee shall present its conclusions to the Board.

Oversight of the Internal Audit Function

- Review and approve the audit plan and scope of work to be performed by any internal audit function of the Company, and review and discuss with any principal internal auditor of the Company the results of any internal audit program together with management's responses and corrective action plans.
- Annually review and discuss the performance and effectiveness of any internal audit function of the Company.
- Review and concur in the appointment, and dismissal when appropriate, of any principal internal auditor of the Company.

Oversight of the Company's Internal Control Over Financial Reporting

- Review and discuss the adequacy and effectiveness of the Company's internal control over financial reporting with management, any internal audit function of the Company and the Independent Auditor.
- Review management's annual report on internal control over financial reporting prior to the Company's inclusion of such annual report in the Company's Annual Report on Form 10-K.
- Review the Independent Auditor's attestation report regarding the Company's internal control over financial reporting prior to the inclusion of such attestation report in the Company's Annual Report on Form 10-K.

- Receive reports from management regarding, and review and discuss on at least an annual basis the adequacy and effectiveness of, the Company's disclosure controls, policies and procedures.
- Understand the scope of the Company's internal and Independent Auditor's review of internal control over financial reporting, and obtain and review reports on significant findings and recommendations, together with management's responses and corrective action plans.

Compliance Oversight Responsibilities

- Review the design, organization and scope of the Company's compliance programs, including the Company's Code of Business Conduct and Ethics and the Company's policies and procedures for monitoring compliance therewith; and at least annually, meet to review the effectiveness of the Company's compliance program with the Company's Chief Compliance Officer or equivalent, who shall communicate directly to the Committee, promptly, about actual or alleged material violations of law applicable to the Company's business or the Company's Code of Business Conduct and Ethics by the Company's officers, directors or employees, including any such matters involving criminal or potential criminal conduct.
- Review with the General Counsel or Chief Legal Officer on a regular basis any legal or regulatory matters that may have a material impact on the financial statements or internal controls over financial reporting.
- Establish and oversee procedures for handling reports of potential misconduct by the Company's officers, directors or employees, including: (i) material violations of law or the Company's Code of Business Conduct and Ethics; (ii) complaints received by the Company regarding accounting, internal accounting controls, auditing or federal securities law matters; and (iii) the confidential, anonymous submission by employees of the Company of concerns regarding accounting, internal accounting controls, auditing or federal securities law matters.
- Review and assess on at least an annual basis the Company's hiring policies with regard to employees or former employees of the Independent Auditor.
- Periodically review and assess the adequacy of the Company's Code of Business Conduct and Ethics and recommend changes to the Board for approval as appropriate.

VI. Scope of the Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, its function is one of oversight, whereas the planning and conduct of the audit is the responsibility of the Independent Auditor, and the financial statements are the responsibility of the Company's management.

VII. Risk Oversight

The Committee shall be responsible for overseeing the Company's program for identifying, evaluating and controlling significant risks. In connection with this responsibility, and in addition to the relevant duties and responsibilities discussed above, the Committee shall periodically discuss with management and the Independent Auditor the Company's major risk exposures, including financial, legal, regulatory and cybersecurity risk exposures, and the steps taken to monitor, control and minimize such exposures. The Committee shall also review and evaluate the Company's processes and policies for identifying and assessing key risk areas and for formulating and implementing steps to address such risk areas. As part of this process, the Committee should develop and periodically review guidelines and policies to govern the process by which this is handled.

VIII. Related Party Transactions and Conflicts of Interest

The Committee shall also be responsible for establishing and periodically reviewing policies and procedures for the review, approval and ratification of related party transactions (as defined by applicable SEC Rules) and for reviewing all related party transactions subject to such policies and all information relating to any such related party transaction as the Committee deems appropriate under the circumstances, including the related party's interest in the transaction, the approximate dollar value involved in the transaction, whether the transaction was undertaken in the ordinary course of business, whether the terms of the transaction are no less favorable to the Company than terms that could have been reached with an unaffiliated third party and the purpose of and potential benefits to the Company of the transaction, and approving or ratifying each such related party transaction only upon the Committee's determination that, under all of the circumstances, such transaction is not inconsistent with the best interests of the Company. The Committee shall review any disclosures regarding related party transactions that are disclosed in the Company's filings with the SEC.

The Committee will review, in consultation with the General Counsel or Chief Legal Officer, personal or business interests of directors that involve an actual, potential or apparent conflict of interest and, if such a conflict exists or the perception of a conflict is likely to be significant, will determine how to address the conflict, in accordance with the Company's Code of Business Conduct and Ethics and any other applicable regulations (including disclosure obligations) and the Company's policies. The Committee will also consider requested waivers of the Code of Business Conduct and Ethics from the Company's executive officers and directors and retain authority to grant any such waivers.

IX. 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 Company, the articles of incorporation or bylaws, as appropriate, shall fully control.

X. 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 deemed by the Board to be necessary or appropriate in light of the Committee's purpose and objectives or to carry out its duties and responsibilities.