

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 Rule 10C-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and Section 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 based on recommendations from the Governance and Nominating Committee and may be removed by the Board at any time with or without cause. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. 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 agenda and materials for Committee meetings will be prepared by the Committee Chair in consultation with the other Committee members. 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 Chair 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. The Committee shall report regularly to the Board regarding its discussions and actions. The Committee shall make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), waiver of notice, and voting requirements as are applicable to the Board.

The Committee may invite any members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such individuals present, and in all cases the CEO and any other officers shall not be present at meetings at which their compensation or performance is discussed or determined.

Onboarding / Education

The Company will provide new members of the Committee with appropriate onboarding briefings, and the full Committee with educational resources and opportunities related to executive compensation and other matters as may be appropriate or requested by the Committee.

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. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of the compensation consultant, independent legal counsel or other adviser, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter. Any communications between the Committee and its independent legal counsel will be privileged communications. The Committee also has the authority to delegate its authority to a subcommittee, so long as any such committee is comprised entirely of independent directors and has a written charter.

Books and Records

The Committee will have access to the Company's books, records, facilities and personnel.

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 at least annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and make recommendations to the Board regarding the CEO's compensation level based on this evaluation. In evaluating and making recommendations to the Board regarding the long-term incentive component of CEO compensation, the Committee may consider the Company's performance and relative stockholder return, the value of similar incentive awards given to CEOs at comparable companies and the awards given to the Company's CEO in past years. In evaluating and making recommendations to the Board regarding CEO compensation, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation ("Say on Pay Vote") required by Section 14A of the Exchange Act.

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. In evaluating and making recommendations to the Board regarding non-CEO executive officer compensation, the Committee shall consider the results of the most recent Say on Pay Vote.

Employment Agreements

The Committee shall review, and recommend to the Board for approval, amendment or termination, any agreement between the Company and any employee relating to the employment, severance, or compensation of such person, including any benefits to be provided in connection with a change of control.

Disclosure Preparation

The Committee shall prepare the compensation committee report 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 and review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A") and the related executive compensation information, and determine whether or not to recommend the CD&A and related executive compensation information be included in the Company's annual report on Form 10-K and proxy statement.

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 Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee and the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may select, retain, or receive advice from a compensation consultant, legal counsel or other adviser to the Committee, including ones that are not independent, 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. The Committee is not required to assess the independence of any compensation consultant or other adviser that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or adviser, and about which the consultant or adviser does not provide advice.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest.

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 to make recommendations to the Board regarding the adoption, amendment, and termination of incentive programs, compensation plans and equity-based plans, including but not limited to stock grant, stock option, and restricted stock awards, or other equity based incentives, subject to stockholder approval where appropriate, and proposals regarding any such plans to be included in the Company's proxy statement. The Committee shall also have the authority to administer the Company's incentive compensation plans and equity-based plans, including designation of the employees to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan. In reviewing and making recommendations to the Board regarding incentive compensation plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent Say on Pay Vote.

401k Plan/Employee Benefit Plans

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. The Committee will also monitor the effectiveness of non-equity based benefit plan offerings, including but not limited to non-qualified deferred compensation, fringe benefits and any perquisites, in particular those pertaining to executive officers, and approve any material new employee benefit plan or change to an existing plan that creates a material financial commitment by the Company. In its discretion, the Committee may otherwise approve, amend, modify, ratify or interpret the terms of, or terminate, any non-equity based benefit plan or delegate such authority to the extent such delegation is permitted. In regard to employee benefit plans, the Committee's role shall be one of oversight and, except as the Committee otherwise expressly determines or applicable law otherwise expressly requires, the Committee shall not act as a fiduciary with respect to any benefit plans or programs under the Employee Retirement Income Security Act of 1974 or otherwise.

Peer Group

The Committee shall set the composition of the peer company group used for market comparison for executive compensation.

Stock Ownership Guidelines

The Committee shall determine stock ownership guidelines for the CEO and other executive officers and monitor compliance with such guidelines.

Risk Management

The Committee shall review (1) the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, (2) the relationship between risk management policies and practices and compensation, and (3) compensation policies and practices that could mitigate any such risk.

Say-on-Pay Frequency

The Committee shall review and recommend to the Board for approval the frequency with which the Company will conduct Say-on-Pay Votes, taking into account the results of the most recent

stockholder advisory vote on frequency of Say-on-Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say-on-Pay Vote and the frequency of the Say-on-Pay Vote to be included in the Company's proxy statement.

Human Capital Management

The Committee shall assist the Board in its oversight of human capital management, including corporate culture, diversity and inclusion, recruiting, retention, attrition, talent management, career development and progression, succession, and employee relations.

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: October 25, 2019