

**CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS OF PDL BIOPHARMA, INC.
AS AMENDED ON MARCH 2, 2017**

I. PURPOSE

This Charter specifies the scope of the responsibilities of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of PDL BioPharma, Inc. (the “Company”) and the manner in which the Committee will perform those responsibilities, including its structure, processes and membership requirements.

The primary purpose of the Committee is to discharge the Board’s responsibilities relating to compensation and benefits of the Company’s officers and directors. In carrying out these responsibilities, the Committee will review all components of officer and director compensation for consistency with the Committee’s compensation philosophy and practices as in effect from time to time.

II. ORGANIZATION AND MEMBERSHIP

The Committee will be comprised of at least two directors, each of whom will (i) satisfy the independence requirements of NASDAQ applicable to compensation committee members, (ii) be a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), (iii) be an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and (iv) otherwise meet the requirements the Board may establish from time to time. A director may not serve as a member of the Committee (a “Member”) if he or she is, or has a family member who is, employed as an executive officer of another company where at any time during the past three years any of the executive officers of the Company served on the compensation committee of such other company.

The Board will appoint the Members. Each Member will serve until the Board duly elects and qualifies the Member’s successor, the Board removes the Member or the Member resigns. The Board may replace any Member at any time, including on the recommendation of the Nominating and Governance Committee of the Board. Unless the Board elects a chairperson of the Committee, the Members may designate a chairperson by a majority vote of all Members. The Committee may from time to time delegate duties or responsibilities to subcommittees of the Committee or to one or more Members.

The operation of the Committee is subject to the provisions of the Bylaws of the Company (the “Bylaws”), including with respect to notice of meetings, action without a meeting and waiver of notice of meetings. The Committee may determine such other procedural rules for meeting and conducting its business, except as otherwise provided in the Bylaws or required by applicable law. A majority of the Members shall represent a quorum of the Committee, and, if a quorum is present, any action approved by at least a majority of the Members present shall represent the valid action of the Committee.

III. MEETINGS

The Committee has the sole authority to (i) obtain advice or assistance from consultants, legal counsel or accounting or other advisors, as appropriate, to perform its duties under this Charter, (ii) retain or terminate any such consultant, counsel or advisor, (iii) determine and approve the scope of and terms, fees and costs for each such engagement and (iv) oversee the work of any such consultant, counsel or advisor; provided, however, that, prior to selecting, or receiving advice from, such consultant, counsel or advisor (other than in-house legal counsel or an advisor that acts in a role limited to those activities specified in NASDAQ Listing Rule 5605(d)(3) or any successor provision), the Committee shall consider the factors specified in NASDAQ Listing Rule 5605(d)(3) or any successor provision. The Committee will receive appropriate funding from the Company, as determined by the Committee, for payment of reasonable compensation to any consultants, legal counsel or other advisors retained by the Committee.

The Committee will meet as often as it deems appropriate, but not less frequently than once each year, to review the compensation of the officers, directors and other employees of the Company, and otherwise perform its duties under this Charter. The Chief Executive Officer may not be present during the voting or deliberations on his or her compensation.

The Committee will maintain written minutes of its meetings, which minutes the Committee will file with the minutes of the meetings of the Board.

IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Committee shall have the authority to:

1. Periodically review the Company's overall compensation philosophy, policies and plans and regional, peer and industry-wide compensation practices and trends in order to assess the adequacy and competitiveness of the Company's compensation programs;
2. Annually review the effect of the Company's compensation policies on risk management;
3. Review and approve the composition of any peer group used for executive compensation comparison purposes;
4. Review and approve all compensation for the Chief Executive Officer and other executive officers of the Company, including incentive-based awards and equity compensation;
5. Annually review an assessment of any potential conflicts of interest raised by the work of compensation consultants, whether retained by the Committee or management, who are involved in determining or recommending executive or director compensation. In accordance with NASDAQ listing standards, assess the independence of any consultants, counsel or other outside advisors prior to receiving advice from them, and be directly responsible for the appointment,

compensation and oversight of the work of any consultants, counsel and advisors retained by the Committee.

6. Assess the results of the stockholders' most recent advisory vote on executive compensation;
7. Review and recommend to the Board corporate performance goals and objectives relevant to the compensation of all executive officers;
8. Monitor compliance by executive officers and directors with the Company's stock ownership guidelines;
9. Approve and administer the equity compensation plans of the Company, including a determination of the terms, conditions and restrictions of equity awards under the plans, the forms of award agreements, the vesting and exercisability of awards and approval of any rules, guidelines or policies related to those equity compensation plans;
10. Review and approve all employment, severance, or change-in-control agreements, special or supplemental benefits, or provisions including the same, applicable to the Chief Executive Officer and other executive officers of the Company;
11. Review and propose to the Board from time to time changes in director compensation and equity awards;
12. Prepare such reports regarding executive compensation for inclusion in the Company's proxy statements as are required by applicable rules and regulations;
13. Review with the Company's management each Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K under the Securities Act of 1933, as amended, to be included in a filing by the Company with the Securities and Exchange Commission and based on such review and discussions with the Company's management, recommend to the Board whether the Compensation Discussion and Analysis should be included in the filing;
14. Perform such other activities consistent with this Charter, the Bylaws and applicable law, as the Committee or the Board deems necessary or appropriate;
15. Annually evaluate the performance of the Committee;
16. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval; and
17. Make regular reports to the Board regarding the foregoing.