

Director Resignation Policy for Insmed Incorporated

Directors of Insmed Incorporated (the “*Company*”) are elected by a plurality of the votes cast in the election of directors. Notwithstanding such voting standard, in an uncontested election of directors, if the number of votes cast “for” a director’s election fails to exceed the number of votes withheld with respect to such director’s election (as determined by the inspector(s) of elections in accordance with the Virginia Stock Corporation Act, the Company’s Articles of Incorporation and the Company’s Amended and Restated Bylaws, each as amended, restated or otherwise modified from time to time (the “*VSCA*,” the “*Articles of Incorporation*” and the “*Bylaws*,” respectively)), such director shall submit his or her resignation to the Company’s Board of Directors (the “*Board*”) for consideration promptly following the certification of the election results by the inspector(s) of elections. Any such resignation letter shall state that it will be effective only upon acceptance of the resignation by the Board.

An election of directors shall be considered uncontested unless (i) the Secretary of the Company receives a notice complying with the applicable requirements for shareholder nominations for directors set forth in the Bylaws that a shareholder proposes to nominate one or more candidates for election to the Board, (ii) such proposed nomination would result in more candidates being nominated for election to the Board than there are board seats to be filled by such election, and (iii) such proposed nomination has not been withdrawn on or prior to the tenth day preceding the date the Company first mails its notice of meeting for such meeting to the Company’s shareholders.

Within ninety (90) days after the date of the certification of the election results by the inspector(s) of election, the Nominations and Governance Committee will make a recommendation to the Board as to whether to accept or reject any resignation submitted to the Board pursuant to the first paragraph of this Policy, taking into account any factors or other information that it considers appropriate and relevant, including the stated reasons, if any, why shareholders withheld their votes from the director’s election, the length of service and qualifications of the director, the director’s contributions to the Company and potential adverse consequences of the resignation (such as failure to comply with, among other things, the rules of the NASDAQ Stock Market LLC (“*NASDAQ*”) or the rules and regulations of the Securities and Exchange Commission).

The Board shall act on the recommendation from the Nominations and Governance Committee or, in the circumstance set forth below, a special committee, as applicable, within 45 days from the receipt of such recommendation, unless such action would cause the Company to fail to comply with federal or state law or NASDAQ rules, in which event the Board shall take action with respect thereto as promptly as is practicable while continuing to comply with such laws and NASDAQ rules.

The Board may accept or reject the resignation or may pursue other actions such as: (a) allowing the director to remain on the Board but not be re-nominated at the end of his or her current term; (b) deferring acceptance of the resignation until a replacement director with qualifications and/or experience comparable to that of the resigning director (such as audit committee financial expertise) can be identified and elected or appointed to the Board; or (c)

deferring acceptance of the director's resignation if the director can cure the cause of the "withhold" votes (for example, if votes were withheld due to the director's multiple directorships, by resigning from other boards). The Board shall promptly publicly disclose its decision and the rationale behind it.

Any director whose resignation is under consideration shall not participate in any deliberation or vote of the Nominations and Governance Committee, any special committee or the Board regarding his or her resignation.

In the event that no nominee for director in an uncontested election receives a greater number of votes cast "for" the director's election than votes withheld, the Board shall determine whether to accept any or all of the resignations. If more than a majority of the members of the Nominations and Governance Committee do not receive more votes cast "for" their respective election than votes withheld at the same election, then the independent directors whose classes were not nominated for election at the most recent shareholder's meeting shall appoint a special committee to consider the resignations from the members of the Nominations and Governance Committee and recommend to the Board within 90 days after the date of the certification of the election results by the inspector(s) of election whether to accept or reject all or any of such resignations.

If a director's resignation is accepted by the Board pursuant to this policy, then the Board may fill the resulting vacancy or decrease the size of the Board in accordance with the VSCA, Articles of Incorporation and Bylaws.