

VANDA PHARMACEUTICALS INC.
NOMINATING/CORPORATE GOVERNANCE COMMITTEE CHARTER

(as of December 9, 2020)

The Nominating/Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Vanda Pharmaceuticals Inc. (the “Company”) shall have the responsibilities, authority and duties described in this Charter.

Purpose

The primary purpose of the Committee is to (1) assist the Board by identifying prospective director nominees; (2) oversee the nomination of directors for service on the Board and its committees; (3) oversee the evaluation of the Board and its committees; and (4) review and consider developments in corporate governance practices and to recommend to the Board a set of effective corporate governance policies and procedures applicable to the Company. The Committee has been established to serve the interests of the Company and its stockholders to obtain highly qualified candidates with the personal integrity, knowledge, skills, expertise, diversity of experience, ability to make independent analytical inquiries, understanding of the Company’s business environment and willingness to devote adequate time and effort to serve as members of the Board.

Membership

The members of the Committee shall be appointed annually by a majority vote of the entire Board, shall serve at the discretion of the Board, and may be replaced by the Board at any time or for any reason. The Committee shall be composed of at least two (2) members of the Board, each of whom shall meet the independence requirements of the Securities and Exchange Commission (“SEC”) and The Nasdaq Stock Market (“Nasdaq”). Unless a chair is designated by the Board, the members of the Committee may appoint one member of the Committee as its chair (the “Chair”).

Duties and Powers

In addition to performing such other duties as may be requested from time-to-time by the Board, the Committee shall:

Board and Committee Nomination and Evaluation

1. Develop membership qualifications, expertise and characteristics for potential directors and identify and evaluate nominees for election to the Board and for appointment to its committees and Board committee chairs, in accordance with the requirements established by the SEC and Nasdaq and with the Board’s criteria for selecting new directors set forth in the Company’s Corporate Governance Guidelines as in effect from time to time (the “Guidelines”).
2. Make recommendations to the Board concerning the nominees for election to the Board and for appointment to its committees and the selection of Board committee chairs.

3. Consider stockholder nominees for election to the Board pursuant to the Guidelines.
4. Conduct searches for potential Board members with the desired qualifications, expertise and characteristics and discuss such search process and the results thereof with the Board.
5. Monitor compliance with Board and Board committee membership criteria and develop and oversee a Board performance evaluation process and evaluate at least annually the performance and effectiveness of the Board, including by conducting surveys of director observations, suggestions and preferences, and discussing the results of such process with the Board.
6. Evaluate and, if deemed necessary, make recommendations on the removal of any Board member in accordance with the Code of Business Conduct and Ethics or the Guidelines, for cause or for other appropriate reason.
7. Review and make recommendations to the Board on the appropriateness of continued director service by any director who submits a letter of resignation to the Board in accordance with the Guidelines.
8. Evaluate the current size, composition and organization of the Board and its committees, determine future requirements and make recommendations to the Board for approval.
9. Review at least annually the Committee's own performance against the responsibilities outlined in this Charter and as otherwise established by the Board.
10. Oversee and implement, as necessary, director continuing education programs, including compliance with any applicable director continuing education requirements.

Corporate Governance

1. Regularly review issues and developments related to corporate governance and identify and bring to the attention of the Board current and emerging corporate governance issues and developments that may affect the business operations, performance or public image of the Company.
2. Evaluate at least annually the performance by management, the Board and each Board committee of their duties and responsibilities relating to corporate governance under the Company's Code of Business Conduct and Ethics, the Guidelines and the rules of Nasdaq and the SEC.
3. Evaluate at least annually the adequacy of the Company's corporate governance structure, policies and procedures in light of (i) applicable regulatory requirements, (ii) issues and developments relating to corporate governance and (iii) the performance of management, the Board and each Board committee relating to corporate governance.
4. Generally advise the Board on corporate governance matters.

5. Monitor and provide oversight with respect to the Company's ESG (Environmental, Social & Governance) initiatives and policies, which will include receiving periodic reports regarding the Company's progress on ESG efforts.
6. Review and assess the adequacy of the Company's Certificate of Incorporation, Bylaws, Regulation FD Corporate Communications Policy, Guidelines, Code of Ethics for Chief Executive Officer and Senior Financial Officers, Code of Ethics and Business Conduct, Social Media Policy, this Charter and the charters of any other committee of the Board periodically in order to ensure compliance with any principles of corporate governance developed by the Committee and recommending to the Board any necessary modifications to such documents.
7. Conduct a preliminary review of director independence and make recommendations to the Board relating to such matters.
8. Review the disclosures included in the Company's annual proxy statement regarding the Company's director nomination process and other corporate governance matters. The Committee will provide reports to the Board regarding the Committee's nominations for election to the Board and its committees and regarding such other matters as the Committee may deem appropriate.
9. Determine the manner in which stockholders may send communications to the Board (as a whole or individually), as well as the process by which stockholder communications will be relayed to the Board and what the Board's response, if any, should be.
10. Periodically review and discuss with the CEO and the Board the development and succession plans for senior management positions.
11. Consider questions of possible conflicts of interest of Board members and of executive officers presented to the Committee; review actual and potential conflicts of interest of Board members and executive officers presented to the Committee, other than related party transactions subject to review by the Audit Committee; and approve or prohibit involvement of such persons in matters that may involve a conflict of interest or the taking of a corporate opportunity.
12. Report the Committee's activities to the Board on a regular basis and make such recommendations with respect to such activities as the Committee or the Board may deem necessary or appropriate.

Resources and Authority

The Committee shall have the resources and authority appropriate to discharge its responsibilities, as determined by the Committee, including the authority to retain special counsel, consultants, experts or other advisers to assist the Committee in carrying out its duties. The Committee shall have the sole authority to select, retain and terminate counsel, consultants, experts and other advisers. The Committee also has the exclusive authority to determine its advisers' compensation and the other terms of their retention. The Company shall ensure that the Committee has adequate funding for such arrangements and to allow the Committee to perform its duties under this Charter.

The Committee's responsibilities are principally of an oversight nature. The Committee shall rely on the expertise and knowledge of management in carrying out its oversight responsibilities.

Meetings

The Committee shall hold meetings as deemed necessary or desirable by the Chair. In addition to such meetings of the Committee as may be required to perform the functions described under "Duties and Powers" above, the Committee shall meet at least once a year to discuss any matters that the Committee believes should be discussed or otherwise in response to the needs of the Board. The Chair, in consultation with the other members of the Committee, will schedule the Committee meetings and establish an agenda for each meeting. The Chair will designate a secretary for each meeting, who need not be a member of the Committee. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of meetings of the Board. In lieu of holding a meeting, the Committee may act by circulating a written consent to each member of the Committee. The written consent constitutes a valid action of the Committee if it has been executed by each Committee member. The written consent will be filed with the minutes of the Board meetings.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any Committee meeting to provide such pertinent information as the Committee requests. The Committee may, at its discretion, meet in executive session with or without the presence of management.

Operating Procedures

Formal actions to be taken by the Committee shall be by unanimous written consent or by the affirmative vote of a majority of the persons present (in person or by conference telephone) at a meeting at which a quorum is present. A quorum shall consist of at least a majority of the members of the Committee.

Reports

The Chair will periodically report to the Board on the Committee's deliberations and actions. The minutes of Committee meetings and actions by the unanimous written consent of the Committee members will be made available to all Board members.

Compensation

Members of the Committee shall receive such compensation, if any, for their service as Committee members, as may be determined by the Board. Such compensation may include retainers or per meeting fees and shall be paid in such form of consideration as is determined by the Board in accordance with the applicable rules of Nasdaq and the SEC.

Delegation of Authority

The Committee may, to the extent permitted under applicable law, the Company's Certificate of Incorporation and Bylaws and the applicable rules of Nasdaq and the SEC, form and delegate authority to one or more subcommittees, comprised of one or more Committee members, which subcommittee(s) shall have the responsibilities and authority delegated to them,

including, if so designated, the full responsibility and authority of the Committee with respect to delegated matters. The Committee may terminate any such subcommittee and revoke any such delegation at any time.