

TARGANTA THERAPEUTICS CORPORATION
COMPENSATION COMMITTEE CHARTER

A. PURPOSE AND SCOPE

The Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Targanta Therapeutics Corporation (the “Company”) to: (i) discharge certain responsibilities of the Board relating to compensation, including equity-based compensation, for the directors and executive officers of the Company; (ii) administer and oversee incentive, equity-based, profit sharing, deferred compensation and other compensatory, retirement and pension plans; and (iii) to produce an annual report for inclusion in the Company’s annual proxy statement or annual report on Form 10-K, in accordance with applicable rules and regulations. The Committee has the authority to obtain advice and assistance from outside legal counsel and/or independent advisors and consultants as deemed appropriate to perform its duties and responsibilities. The Company shall provide appropriate funding, as determined by the Committee, for compensation of any advisors that the Committee chooses to engage.

B. COMPOSITION AND QUALIFICATIONS

The Committee shall be comprised of a minimum of three members as appointed by the Board, considering the recommendations of the Nominating and Corporate Governance Committee. They shall meet the independence requirements under any rules or regulations of the Financial Industry Regulatory Authority, the Securities and Exchange Commission (“SEC”), any applicable exchange, quotation system or market upon which the securities of the Company are traded, and any governmental or regulatory body exercising authority over the Company (each a “Regulatory Body” and, collectively, the “Regulatory Bodies”), as in effect from time to time.

To the extent permitted by the Regulatory Bodies, the Board may, under exceptional and limited circumstances, avail itself of cure periods and exemptions from the requirements of the Regulatory Bodies, including the ability to appoint one member (other than the Chairman of the Committee) who does not meet the independence requirements set forth above (other than those set forth by the SEC in and under Section 10A of the Securities Exchange Act of 1934) and who is not a current officer or employee of the Company or a family member of an officer or employee if the Board determines that membership on the Committee by the individual is required by the best interests of the Company and its shareholders and the member meets all other requirements for service on the Committee. The Board shall disclose in the next proxy statement after such determination the nature of the relationship and the reasons for the determination.

The members of the Committee shall be appointed by the Board at the meeting of the Board following each annual meeting of stockholders and shall serve until their successors shall be duly appointed and qualified or until their earlier resignation or removal. The members of the Committee may be replaced at any time by action of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee.

C. MEETINGS AND MINUTES

The Committee shall meet as often as it deems necessary to fulfill its responsibilities, but no less than once per year. The Committee shall establish its own rules of procedure, which shall be consistent with the Bylaws of the Company and this Charter. The Committee may form and, in accordance with applicable rules and regulations, delegate authority to subcommittees when appropriate or desirable in the Committee's sole discretion. The Committee shall report regularly to the Board and shall keep written minutes of its meetings with the books and records of the Company. The Committee may request that members of management or outside consultants to the Committee be present to assist the Committee in performing its duties.

D. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall:

Reporting Requirements

1. Review and discuss with management the Company's disclosures under the heading "Compensation Discussion and Analysis" ("CD&A") that are required by Item 402 of SEC Regulation S-K and, based on such review, determine whether to recommend to the Board that the CD&A in the form prepared by management be included in the Company's proxy statement or annual report on Form 10-K, in accordance with applicable rules and regulations.
2. Produce an annual report on executive compensation for inclusion in the Company's proxy statement or annual report on Form 10-K, in accordance with Item 407(e)(5) of SEC Regulation S-K and any other applicable rules and regulations.

CEO Compensation

3. Review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer (the "CEO") of the Company, evaluate the CEO's performance in light of those goals and objectives, and, at least annually determine and approve the CEO's compensation level and benefits based on this evaluation.
4. Approve the long-term incentive component of the CEO's compensation, considering the Company's performance and relative shareholder return, the value of similar awards to CEOs at comparable companies and the awards given to the Company's CEO in past years.
5. Approve any employment, severance, change in control and non-compete agreements to be entered into between the Company and the CEO, including any amendments thereto.
6. Approve all incentive and variable plan payouts and equity based awards to be provided to the CEO, or recommend to the Board approval of such awards.

Director and Other Executive Officer Compensation

7. Annually review and approve the compensation and benefits packages, as recommended by the CEO, for the other executive officers of the Company and oversee the evaluation of the Company's other executive officers.
8. Approve any employment, severance, change in control, and non-compete agreements between the Company and the executive officers, excluding the CEO, and authorize the Company to enter into such agreements, including any amendments thereto.
9. Annually review and oversee the administration of the Company's incentive, equity-based, pension, retirement, profit-sharing, deferred compensation and other compensatory plans (the "Plans") and approve amendments to the Plans (to the extent permitted by the Plan documents) and/or adopt new Plans in accordance with applicable rules, regulations and the Plans. The Committee shall have and exercise all the authority of the Board with respect to the Plans and shall recommend amendments and/or the adoption of new Plans to the Board only as necessary or as the Committee deems desirable. The committee, in taking action with respect to the Plans, may recommend awards to the Board, which awards shall formally be granted and made by the Board.
10. Approve the appointment of fiduciary committee members, trustees, investment advisors and managers for the Plans.
11. Approve all incentive and variable plan payments and equity-based awards provided to executive officers, excluding the CEO, or recommend to the Board approval of such awards.
12. Provide oversight on all other stock-based arrangements, including the approval of an annual budget of equity to be granted under the Company's stock plans.
13. Review and recommend to the Board for final approval any stock ownership guidelines for the directors and executive officers (including the CEO).
14. At least annually review and recommend to the Board for final approval the level and form of all compensation for non-employee Board and Board committee members and recommend changes when appropriate.

Other Responsibilities

15. To the extent deemed appropriate by the Committee, engage outside counsel and/or independent advisors and consultants at the Company's expense to review any matter for which it is responsible; approve the terms of engagement and fees of any outside counsel and/or independent advisors or consultants; and terminate any such engagement if necessary.
16. Review and assess the adequacy of this Charter periodically, but at least annually, and recommend any proposed changes to the Board for approval.
17. Perform a review and evaluation periodically as deemed appropriate of the performance of this Committee against the responsibilities and duties contained in the Charter.
18. Fulfill such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board or the Chair of the Board.