

ALEXZA PHARMACEUTICALS, INC.
COMPENSATION COMMITTEE CHARTER

Purposes

The purposes of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Alexza Pharmaceuticals, Inc. (the “Company”) are to: (i) discharge the Board’s responsibilities relating to the compensation of the Company’s executives; and (ii) produce an annual report on executive compensation for inclusion in the Company’s proxy statement, in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”). The Committee shall report to the Board on a regular basis and not less than once per year.

Composition

The Committee shall be composed of at least two “independent directors,” i.e., those directors who are neither officers nor employees of the Company or its subsidiaries nor have a relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and each of whom shall meet the (i) independence requirements of the listing standards of the Nasdaq Stock Market, (ii) non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended, and (iii) the outside director definition of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “IRC”).

The members of the Committee will be appointed by the Board based upon nominations by the Company’s Corporate Governance and Nominating Committee. The members of the Committee will serve at the discretion of the Board.

Unless a chair is designated by the Board, the Committee members may appoint their own chair by majority vote.

Duties and Responsibilities

The following are the duties and responsibilities of the Committee and may be modified by the Board from time to time:

- 1.** To review, determine and approve the individual and corporate performance goals and objectives of, and all compensation and other terms of employment of, the executive officers (as that term is defined in Section 16 of the Exchange Act and Rule 16a-1 thereunder) of the Company, including all forms of salary paid to executive officers of the Company and the grant of all forms of bonus and stock compensation provided to the executive officers of the Company.
- 2.** In consultation with senior management, to establish, review, and evaluate the long-term strategy of employee compensation and the types of stock and other compensation plans used by the Company.
- 3.** To review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer (the "CEO"), evaluate the performance of the CEO in light of those goals and objectives, and set the CEO's compensation level based on this evaluation. In determining the long-term incentive component of the CEO compensation, the Committee shall consider, among other factors, the Company's performance and relative stockholder return, the value of similar incentive awards to CEO's at comparable companies, the awards given to the CEO in past years, and any other factors the Committee deems appropriate. In connection with this evaluation, the Committee may request and receive input from other non-employee Board members either formally or informally. The Chief Executive Officer may not be present during the voting or deliberations regarding his or her compensation.
- 4.** To review and approve any new company-wide compensation plan or any material change to an existing compensation plan whether or not subject to stockholder approval, evaluate and recommend to the Board for approval the Company's incentive compensation plans and equity-based plans subject to stockholder approval, oversee the activities of the individuals and committees responsible for overseeing the Company's compensation plans and discharge any responsibilities imposed on the Committee by any of these plans.

5. In consultation with management, to oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the IRC.

6. To review and approve any other compensation matters as from time to time may be directed by the Board.

Meetings

The Committee will meet in person or telephonically at least once per year at a time and place determined by the Committee chair, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chair. The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

The Committee will provide minutes of Committee meetings to the Board of Directors and report to the Board of Directors on any significant matters arising from the Committee's work.

Committee Report

The Committee shall provide an annual report of the Compensation Committee for inclusion in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.

Resources and Authority

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the sole authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, all at the Company's expense, as it deems appropriate, without seeking approval of the Board or management. The Committee may, at its discretion, also review the choice of any consultants or other experts recommended by management for the purpose of reviewing executive Company compensation. The authority to select, retain, terminate, and approve the fees and other retention terms of any compensation consultants retained to assist in the evaluation of director,

CEO or senior executive compensation shall be vested solely in the Committee.