

INCYTE CORPORATION
COMPENSATION COMMITTEE CHARTER
(as amended as of March 21, 2013)

Purpose

The purpose of the Compensation Committee is to assist the Board in meeting its responsibilities with regard to oversight and determination of executive compensation and to review and make recommendations to the Board with respect to major compensation plans, policies and programs of the Corporation.

Membership and Procedures

Membership and Appointment. The Committee shall consist of at least three members of the Board, with the exact number being determined by the Board. Members of the Committee shall be appointed and replaced from time to time by the Board.

Independence and Qualifications. The members of the Committee shall each meet the independence requirements under the applicable rules of The NASDAQ Stock Market. In addition, at least two of the members shall each qualify as an “outside director,” as such term is defined in section 162(m) of the Internal Revenue Code of 1986 and the regulations promulgated thereunder, or any successor provisions thereto, and as a “non-employee director,” as such term is defined in Rule 16b-3 under the Securities Exchange Act of 1934, or any successor provision thereto.

Delegation to Subcommittee. As appropriate, the Committee may form a subcommittee consisting of one or more members of the Committee to perform such duties and responsibilities as authorized by the Committee. Any such subcommittee shall keep regular minutes of its meetings and report the actions of such subcommittee to the full Committee when required.

Authority to Retain Advisors. In the course of its duties, the Committee shall have the sole authority, at the Corporation’s expense, to retain and terminate any independent compensation consultant or other advisor as the Committee may deem appropriate, including the sole authority to approve any such advisor’s fees and other retention terms. Subject to such exceptions as may be set forth in applicable rules of The NASDAQ Stock Market, prior to retaining or receiving advice from any independent compensation consultant or other advisor (other than in-house counsel), the Committee shall take into consideration the following factors: (1) the provision of other services to the Corporation by the person that employs the advisor (the “Employer”); (2) the amount of fees received from the Corporation by the Employer, as a percentage of the total revenue of the Employer; (3) the policies and procedures of the Employer that are designed to prevent conflicts of interest; (4) any business or personal relationship of the advisor with a member of the Committee; (5) any stock of the Corporation owned by the advisor; and (6) any business or personal relationship of the advisor or the Employer with an executive officer of the Corporation.

Evaluation. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board.

Duties and Responsibilities

The Committee shall:

1. review and approve the individual compensation of the Chief Executive Officer and each other executive officer, with the Chief Executive Officer not to be present during voting or deliberations by the Committee on his or her compensation;
2. develop and monitor compensation arrangements for the executive officers of the Corporation, including administration of performance-based compensation plans such as the Corporation's Incentive Compensation Plan;
3. administer the stock option plans of the Corporation (other than the Corporation's 1993 Directors' Stock Option Plan) in accordance with the terms of such plans and to grant and issue, or recommend the grant and issuance of, awards thereunder, including stock options, stock units, restricted stock and stock appreciation rights, to executive officers of the Corporation and to other individuals not within the authority of the Non-Management Stock Option Committee;
4. review and make recommendations to the Board for changes in the Corporation's compensation and benefit plans and practices that are to be submitted to the Board;
5. administer other compensation plans that may be adopted from time to time as authorized by the Board, including the Corporation's Employee Stock Purchase Plan and 401(k) Plan(s);
6. establish and periodically review the Corporation's policies with respect to management perquisites;
7. finally determine, within parameters that may be established by the disinterested members of the full Board, the provisions of contracts for the executive officers of the Corporation that will govern the situation in which severance payments will be due upon change in control situations;
8. evaluate the Chief Executive Officer and other executive officers of the Corporation annually, with results communicated to the Chief Executive Officer and discussed with the full Board in an executive session;
9. review periodically the compensation of non-employee directors (both in their capacity as Board members and as committee members) as established by the

Board and, if deemed advisable by the Committee, make recommendations to the Board for changes thereto;

10. perform such other activities and functions related to executive compensation as may be assigned from time to time by the Board, including, but not limited to, preparing or causing to be prepared any reports or other disclosure required with respect to the Compensation Committee by any applicable proxy or other rules of the Securities and Exchange Commission; and
11. make regular reports on activities of the Committee to the full Board.