

## INNOVEX, INC.

### COMPENSATION COMMITTEE CHARTER

#### **I. PURPOSE**

The Compensation Committee (the "Committee") shall assist the Board of Directors (the "Board") in: (i) determining appropriate compensation levels for the Company's executive officers; (ii) evaluating officer and director compensation plans, policies and programs; (iii) reviewing benefit plans for officers and employees; and (iv) producing the report required by applicable rules and regulations of the Securities and Exchange Commission and other applicable regulatory bodies for inclusion in the Company's annual proxy statement.

In discharging its role, the Committee is empowered to investigate any matter brought to its attention that is within the scope of or otherwise relevant to its responsibilities, with all requisite access to all books, records, facilities and personnel of the Company. The Committee has the power to retain outside counsel or other advisors and will receive adequate funding from the Company to engage such advisors. The Committee shall have the requisite authority to retain, compensate, terminate and oversee executive compensation consultants.

#### **II. COMMITTEE MEMBERSHIP**

The Committee shall consist of at least two members of the Board, each of whom is determined by the Board to be "independent" in accordance with the rules of the Nasdaq National Market (except as may be allowed by those rules in exceptional circumstances). In addition, no director may serve unless he or she (i) is a "Non-employee Director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code.

The members of the Committee shall be appointed by the Board and continue to be members until their successors are elected and qualified or until their earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by the Board at any time.

The Board may appoint one member to serve as Chair of the Committee, to convene and chair all regular and special sessions of the Committee, set the agendas for Committee meetings and determine and communicate to management the information needs of the Committee, and to report Committee determinations and action on behalf of the Committee to the Full Board. If the Board fails to appoint a Chair, the members of the Committee shall elect a Chair by majority vote to serve at the pleasure of the majority.

#### **III. COMMITTEE MEETINGS**

The Committee shall have regular meetings on at least a semi-annual basis (or more frequently as circumstances dictate). Meetings of the Committee may be held telephonically. A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action by the Committee. The Committee shall meet separately, on at least an annual basis, with the Chief Executive Officer (CEO), the vice president of human resources (or similar position) and any other corporate officers as the Board and Committee deem appropriate to discuss and review the performance criteria and compensation levels of key executives, provided that the

CEO may not be present at any meeting or any portion of a meeting in which his or her compensation is discussed or determined.

The Committee may form, and delegate any of its responsibilities to, a subcommittee so long as such subcommittee consists solely of at least two members of the Committee.

#### **IV. KEY RESPONSIBILITIES**

The responsibilities of the Committee are set forth below. The Committee is authorized to carry out these responsibilities, and other responsibilities assigned to it by the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

##### Compensation Arrangements

1. Establish and review the overall compensation philosophy of the Company.
2. Review and approve corporate goals and objectives relevant to the compensation of the CEO and other executive officers, including annual performance objectives.
3. Evaluate the CEO's and other executive officers' performance against those corporate goals and objectives, and determine the compensation level for each such person based on this evaluation.
4. Review on a periodic basis the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purpose(s) and recommend any appropriate modifications.
5. Review and recommend to the Board for approval new executive compensation programs (to the extent that the Committee believes that new programs are appropriate or desirable).
6. Review and recommend to the Board for approval any changes in employee retirement benefit programs, and review broadly employee salary levels and ranges and employee fringe benefits.
7. Review and recommend to the Board for approval the adoption of all incentive compensation plans and equity compensation plans of the Company.
8. Review and recommend to the Board for approval any changes in incentive compensation plans and equity-based compensation plans.
9. Administer the Company's incentive or equity- based compensation plans and make all determinations necessary in connection with such plans, including the review and approval of any grants or awards thereunder.

##### Reports

10. Prepare the report required by applicable rules and regulations of the Securities and Exchange Commission and other applicable regulatory bodies for inclusion in the Company's annual proxy statement.

11. Report to the Board on Committee recommendations and any other matters the Committee deems appropriate or the Board requests.
12. Maintain minutes or other records of Committee meetings and activities.

Annual Self-Evaluation

13. Conduct an annual self-evaluation of the performance of the Committee including the effectiveness and compliance with this Charter.
14. Review and reassess the adequacy of this Charter at least annually.