

This charter will become effective on May 18, 2004, the date of Omnicare's Annual Meeting of Stockholders.

OMNICARE, INC. (the "Company")

**CHARTER OF THE
COMPENSATION AND INCENTIVE COMMITTEE OF
THE BOARD OF DIRECTORS**

I. Statement of Purpose

There shall be a committee of the Board of Directors (the "Board") to be known as the Compensation and Incentive Committee (the "Committee"). The primary purpose of the Committee is to ensure that the Company's compensation policies and practices support the successful recruitment, development and retention of highly qualified executive and key employee talent in order to achieve the Company's business objectives and optimize the long-term financial performance of the Company.

II. Organization and Functioning

The Committee shall be comprised of at least three directors who shall be appointed annually by the Board after considering the recommendation of the Nominating and Governance Committee. The Committee shall include only directors who satisfy the independence requirements of the New York Stock Exchange and have no material relationship with the Company. Each Committee member shall also qualify as an outside director for purposes of Section 162(m) of the Internal Revenue Code and a non-employee director for purposes of Rule 16b-3 of the Securities Exchange Act of 1934. The Board shall designate one member of the Committee as its Chairman. Members of the Committee shall serve until their resignation, retirement, removal by the Board or until their successors are appointed.

The Committee shall meet at least twice each year and hold such other meetings from time to time as may be called by the Chairman of the Committee, the Chairman of the Board or the Chief Executive Officer of the Company (the "CEO"). A majority of the members of the Committee shall constitute a quorum of the Committee. A majority of the members in attendance shall decide any matter properly brought before any meeting of the Committee.

The Committee shall keep minutes of its proceedings. The minutes of a meeting shall be subsequently approved by the Committee, shall be signed by the person whom the Chairman of the Committee designated to act as secretary of the meeting, and shall be filed as permanent records with the Secretary of the Company.

The Chairman of the Committee shall at each meeting of the Board following a meeting of the Committee report to the full Board on the matters considered at the last meeting of the Committee.

III. Specific Duties and Responsibilities

The Committee shall have the following duties and responsibilities:

1. Director Compensation and Equity-Based Plans. The Committee shall make recommendations to the Board with respect to the compensation of directors and incentive-compensation plans and equity-based plans for all employees. The Chairman of the Committee should report to the Board periodically as to, among other things, how the Company's director compensation practices compare with those of comparable companies.
2. Stock Plan Administration. The Committee shall have full and final authority in connection with the administration of all plans of the Company under which common stock or other equity securities of the Company may be issued to directors or executive officers, except as they apply to the members of the Committee, in which case the full Board shall make the necessary determinations. In furtherance of the foregoing, the Committee shall, in its sole discretion, grant options and make awards of shares to directors, executive officers and key employees under the Company's stock plans.
3. CEO Compensation - Goals and Approval.
 - (a) The Committee shall annually review and approve corporate goals and objectives relevant to the compensation of the CEO (including meeting with the CEO to discuss such corporate goals and objectives), evaluate the CEO's performance in light of those goals and objectives and determine and approve the CEO's compensation levels based on this evaluation. The evaluation and determination of the long-term incentive component of CEO compensation should be based on objective criteria, including, among other things, the performance of the business and relative stockholder return, accomplishment of long-term strategic objectives, the value of similar incentive awards to chief executive officers at comparable companies and the awards given to the CEO in past years. The Chairman of the Committee shall annually report to the Board concerning such evaluation.
 - (b) The Committee shall approve the CEO's (i) annual base salary level, (ii) annual incentive compensation, (iii) long-term incentive compensation, including equity incentives and (iv) special or supplemental benefits. Any action taken by the Committee pursuant to the preceding sentence shall be final and not be subject to the Board's approval. Any employment agreement, severance arrangement, or change in control agreement, in each case as, when and if appropriate, that are proposed with respect to the CEO shall be considered by the Committee and submitted to the Board for final approval.
4. Review of Executive Officer Compensation. With respect to executive officers other than the CEO, the Committee shall review the recommendations of the CEO

regarding their: (i) annual base salary level, (ii) annual incentive compensation, (iii) long-term incentive compensation, including equity incentives and (iv) special or supplemental benefits and have final authority to act in regard to any of the foregoing. The Committee shall make all final determinations as to executive compensation and their determination shall not be subject to the Board's approval. Any employment agreement, severance arrangement or change in control agreement, in each case as, when and if appropriate, that are proposed with respect to executive officers other than the CEO shall be recommended by the CEO, considered by the Committee and submitted to the Board for final approval.

5. Annual Report. The Committee shall oversee the preparation of and shall approve an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.
6. Evaluation. The Committee shall annually conduct a Committee self-evaluation to review the Committee's performance (including its effectiveness and compliance with the Charter).
7. Delegation. With regard to all matters described in this Charter as being within the authority of the Committee, the Committee may not delegate its authority.
8. Engagement of Advisors. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, CEO or executive officer compensation and shall have sole authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
9. Charter. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.