

NeoPharm, Inc.

Governance Committee Charter

**AMENDED AND RESTATED
CORPORATE GOVERNANCE COMMITTEE
CHARTER**

Mission

The Corporate Governance Committee is appointed by the Board: (1) to assist the Board by identifying, reviewing and evaluating individuals qualified to become Board Members, and to recommend that the Board select the director nominees so identified for the next annual meeting of shareholders or to fill vacancies on the Board; (2) to develop and recommend to the Board Corporate Governance Guidelines applicable to the Company; (3) to lead the Board in its annual review of the Board's performance; and (4) to recommend to the Board director nominees for each Board committee other than the Corporate Governance Committee. In addition, the Committee has responsibility for overseeing the development and implementation of management development plans and succession planning practices to ensure that the Company has sufficient management depth to support its continued growth and the talent needed to execute long-term strategies even in the event that one or more members of senior management are disabled, retire or otherwise leave the Company.

Organization

The Corporate Governance Committee shall be a standing committee of the Board of Directors composed of not less than three (3) independent Directors. An independent director should be free of any relationships that could, in the business judgment of the Board of Directors, influence his/her independent judgment as a Committee member. Further, only Directors who satisfy the independence standards of The Nasdaq Stock Market, Inc. ("Nasdaq") and the Company's Corporate Governance Guidelines in effect at the time of the Director's appointment or reappointment to the Committee, shall be eligible for membership. Committee members shall be appointed to the Committee by the Board annually or as necessary to fill vacancies and shall serve until their successors are duly appointed and qualify or until removed from the Committee by the Board, with or without cause. The Board shall designate one of the Committee members as Chair of the Committee.

Meetings

The Committee shall hold meetings, in person or telephonically, as necessary. It is expected, however, that the Corporate Governance Committee will meet at least twice a year. Prior to each meeting, the Chair of the Committee will circulate or discuss the agenda for the meeting with each member of the Committee.

Minutes of each meeting shall be prepared under the direction of the Chair of the Committee and circulated to each member of the Committee for review and approval.

Duties and Responsibilities

The Committee shall have the power and authority to perform the following duties and to fulfill the following responsibilities:

1. Develop and recommend to the Board guidelines and criteria to determine the qualifications of Directors.
2. Have the authority, at the Company's expense, to retain a search firm to be used to identify director candidates. The Committee shall have sole authority to approve the search firm's fees and other retention terms and to terminate the search firm.
3. Identify and review the qualifications of and recommend to the Board nominees for Directors to be submitted to the shareholders for election at each annual meeting of shareholders and nominees for Directors to be elected by the Board to fill vacancies and newly created directorships. The full Board of Directors shall approve nominees to stand for election at the annual meeting of shareholders and all new members of the Board of Directors; provided, however that only such nominees as have been previously approved by the Committee may be considered by the Board.
4. Review and consider candidates for election as Directors properly submitted by shareholders in compliance with the Company's Bylaws, and any applicable law, rule or regulation.
5. Consider and make recommendations to the Board concerning the size and composition of the Board.
6. Oversee the development and implementation of management development plans and succession planning practices and strategies and conduct an annual review of same.
7. Recommend to the Board an overall compensation program for Directors, including salary, perquisites, deferred compensation, stock or option plans or other incentive plans, and retirement plans, and review and approve disclosures regarding Directors' compensation as required by the Securities and Exchange Commission ("SEC"), other government agencies and Nasdaq.

8. Annually, review and recommend to the Board for approval the appointment of Directors to Board committees, other than the Corporate Governance Committee, and the committee structure for the Board, including proposed assignment rotation schedules.
9. Develop and recommend to the Board performance criteria for the Board and review the procedures, the effectiveness and the performance of the Board as a whole, the individual Directors and the Board committees, and make recommendations to the Board, as appropriate.
10. Review all related party transactions, as defined by applicable law, rule or regulation, for potential conflicts of interest situations on an on-going basis and, as appropriate, approve or disapprove such related party transactions. No member of the Committee who has any interest in a specific related party transaction shall participate in the review of such transaction.
11. Periodically review and recommend corporate governance practices and policies of the Company, including, but not limited to, an annual assessment of the adequacy of this Charter and the Corporate Governance Guidelines and recommend proposed changes, if any, to the Board for approval.
12. Annually review and report to the Board on the Committee's performance in meeting its responsibilities under this Charter.
13. Develop and recommend to the Board a Code of Ethics, which, at a minimum, complies with Nasdaq and SEC requirements, as in effect from time to time, and, at least annually, review and assess the adequacy of the Company's Code of Ethics. In addition, the Committee shall consider any requests for waivers from the Company's Code of Ethics. Any waivers granted by the Committee from the Code of Ethics shall be disclosed by the Company in accordance with the rules of the Nasdaq and the SEC.
14. Adopt and implement a policy or policies, as appropriate, governing service on the Board of Directors of other companies, charities and institutions applicable to members of the Board of Directors, and persons considered Executive Officers of the Company as determined by the Board of Directors.
15. Recommend to the Board ways and means for shareholders to communicate with members of the Board.

16. Keep minutes of all Committee meetings and make regular reports of its activities to the Board.

17. Form, and delegate authority to, subcommittees when appropriate.

18. Retain, at the Company's expense, such advisers as the Committee shall deem necessary to carry out the aforementioned responsibilities.

Nothing in this Charter is intended to alter in any way the standard of conduct that applies to any of the Directors of the Company under the Delaware General Corporation Law, as from time to time amended, and this Charter does not impose, nor shall it be interpreted to impose, any duty on any Director greater than, or in addition to, the duties or standard of conduct established by the Delaware General Corporation Law.