

INNOVEX, INC.

GOVERNANCE COMMITTEE CHARTER

1. PURPOSE

The Governance Committee (the “Committee”) shall assist the Board of Directors (the “Board”) in: (a) identifying, screening and reviewing individuals qualified to serve as directors and recommending to the Board (i) the director nominees for election at the next annual meeting of shareholders and (ii) candidates to fill any vacancies on the Board; (b) overseeing the implementation and monitoring the effectiveness of the Company’s Corporate Governance Guidelines and developing and recommending to the Board modifications and/or additions to the Corporate Governance Guidelines; and (c) reviewing, on a regular basis, the overall corporate governance of the Company and recommending improvements when necessary.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s Bylaws.

In discharging its role, the Committee is empowered to investigate any matter brought to its attention with all requisite access to all books, records, facilities and personnel of the Company and with access to the Company’s outside legal counsel and other advisors. The Committee has the power to retain separate outside counsel or other advisors, different from the Company’s regular outside counsel and advisors, and will receive adequate funding from the Company to engage such counsel and advisors. The Committee shall have concurrent authority with the Chairman of the Board and the Chief Executive Officer to retain, compensate, terminate and oversee director search firms and recruitment consultants for use in identifying, screening and reviewing qualified candidates to serve on the Board.

2. COMMITTEE MEMBERSHIP

The Committee shall consist of two or more members of the Board, each of whom has been determined by the Board to be “independent” in accordance with the rules of the Nasdaq National Market.

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, to set agendas for Committee meetings, to determine and communicate to management and the full Board 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 of the Committee, the members of the Committee shall elect a Chair by majority vote of the full Committee to serve at the pleasure of the majority of the full Committee.

3. COMMITTEE MEETINGS

The Chair (or in his or her absence, a member designated by the Chair or designated by a majority of the members in attendance) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings as long as they are not inconsistent with any provisions of the Company's Bylaws.

The Committee shall meet on a regularly scheduled basis at least two times per year, 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 may form, and delegate any of its responsibilities to, a subcommittee so long as such subcommittee consists of at least two members of the Committee. The requirements for action by a subcommittee shall, except as otherwise provided by act of the Committee, be the same as applicable to the Committee.

All non-management directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion and at the invitation of the Chair, include in its meetings members of the Company's management, representatives of the Company's outside advisors, any other personnel employed or retained by the Company or any other persons whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any non-management director who is not a member of the Committee.

4. 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.

The following functions and responsibilities are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances.

To fulfill its purpose, the Committee shall:

1. establish standards, criteria and processes for the selection of individuals to serve on the Board, consistent with the Corporate Governance Guidelines of the Company;
2. identify, screen review and approve individuals qualified to serve as directors; review each current director and recommend to the Board whether such director should stand for re-election; and recommend to the Board the nominees for election or re-election at the next annual meeting of shareholders and for filling vacancies that may occur at other times, subject to the limitations set forth in the Corporate Governance Guidelines of the Company;
3. review the size, composition and functions of each committee of the Board, including making recommendations to the Board of committee members and the Chair of each committee;

4. review annually with the Board the composition of the Board as a whole, including whether the Board reflects the appropriate balance of independence, sound judgment, business specialization, technical skills, and other desired qualities;
5. review periodically the size of the Board and recommend to the Board any appropriate changes;
6. oversee the evaluation of the Board and management;
7. oversee the implementation and monitor the effectiveness of the Corporate Governance Guidelines of the Company, and develop and recommend to the Board modifications and or additions to the Company's Corporate Governance Guidelines;
8. consider corporate governance issues that arise from time to time, and develop appropriate recommendations for the Board;
9. report to the Board as necessary, which reports shall include any recommendations the Committee deems appropriate;
10. review the corporate governance implications, if any, of any proposed changes in director compensation;
11. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with its Charter; and
12. review the adequacy of this Charter on at least an annual basis.