

ISTA PHARMACEUTICALS, INC.
a Delaware corporation

AMENDED AND RESTATED CHARTER

OF

THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS

PURPOSES

The purposes of the Nominating and Corporate Governance Committee of the Board of Directors of ISTA Pharmaceuticals, Inc., a Delaware corporation (the “Company”) shall be to assist the Board of Directors in fulfilling its responsibilities by:

- Recommending corporate governance principles applicable to the Company;
- Identifying, reviewing, and evaluating individuals qualified to become Board of Directors members;
- Recommending director nominees for the Board of Directors and director nominees for each committee; and
- Assisting the Board of Directors with executive development and succession matters.

In addition, the Nominating and Corporate Governance Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors may from time to time prescribe.

MEMBERSHIP

The Nominating and Corporate Governance Committee members will be appointed by, and will serve at the discretion of, the Board of Directors and will consist of three (3) members of the Board of Directors. To the extent required by applicable regulatory requirements, all members of the Nominating and Corporate Governance Committee shall be independent directors, and shall satisfy the applicable NASDAQ listing standards for independence for members and any other applicable regulatory requirements.

RESPONSIBILITIES

To fulfill its responsibilities and duties hereunder, the Nominating and Corporate Governance Committee shall:

Corporate Governance

1. Develop a set of corporate governance principles applicable to the Company for Board of Director approval, and following such approval shall annually review the principles for continued compliance with best practices.
2. Review annually the Company's charter documents, including but not limited to the Company's stockholder rights plan and other anti-takeover provisions, and recommend to the Board of Directors such changes, if any, as the Nominating and Corporate Governance Committee deems advisable.
3. Review annually and update, as necessary, this Charter's adequacy, and receive approval of any such changes from the Board of Directors.
4. Develop and implement, annually, a self-evaluation of its own performance.
5. Consistent with the foregoing, take such actions as it deems necessary to encourage continuous improvement of, and foster adherence to, the Company's corporate governance policies, procedures, and practices at all levels and shall perform other corporate governance oversight functions as requested by the Board of Directors.

Nominating Functions

6. Actively seek individuals qualified to become directors of the Board of Directors and make recommendations to the Board of Directors regarding Board of Directors nominees, including an annual recommendation with respect to those individuals nominated for election at the Company's annual meeting of stockholders. As part of this process, the Nominating and Corporate Governance Committee shall consult with Board of Directors members, the Chief Executive Officer, other members of management and others parties to evaluate the knowledge and skills which should be kept in mind in making nominations, including experience in business, finance, administration or healthcare, familiarity with the Company's business and industry and, as applicable, specific expertise, including but not limited to such matters as clinical development, regulatory strategy or business development. The Nominating and Corporate Governance Committee shall also give consideration to candidates with appropriate non-business backgrounds, illustratively, with backgrounds in medicine, research, government or intellectual property.
7. Review annually and make recommendations to the Board of Directors concerning the membership and chairpersons of the Board of Directors committees, taking into account the special skills required for service on particular committees, past performance in Board of Directors and committee service, tenure and such other facts as the Nominating and Corporate Governance Committee shall deem appropriate.
8. Affirmatively determine that the requisite number of directors serving on committees of the Board of Directors, including this Nominating and Corporate Governance Committee, meet the applicable independence requirements contained in the NASDAQ listing standards.

9. In making its annual recommendations for the Board of Directors and Board of Directors committee nominees, consider the Board and Nominating and Corporate Governance Committee evaluations described below.
10. Periodically conduct studies of the size and composition of the Board of Directors, make recommendations to the Board of Directors as a result of such studies, and consider and make recommendations to the Board of Directors regarding comments from stockholders relating to Board of Directors composition.

Board of Directors Matters

11. Review and approve, to avoid redundancy or inconsistency, charters for all committees of the Board of Directors, which charters shall be submitted to the Board of Directors for final approval.
12. Develop a system for the Board of Directors and Board of Directors committee evaluation and shall annually review and appraise the performance of the Board of Directors and its committees, including the effectiveness of the Board of Directors' and its committee's meeting procedures, agendas, calendars and minutes.
13. Develop orientation materials for new directors and corporate governance related continuing education for all Board of Directors members.
14. Monitor, to insure that the Board of Directors, and its committees, are regularly conducting executive sessions, which are chaired by an independent director. The independent director shall be the "presiding director" for the purpose of conducting the executive session and shall, in addition to chairing the executive sessions, solicit from other independent directors prior to the meeting, an agenda of items which they wish to have discussed in executive session.

Executive Development and Succession

15. Review annually the effectiveness of executive officer development and succession processes and engage in succession planning for the Chief Executive Officer and other senior management positions.
16. Evaluate annually the performance of the Company's Chief Executive Officer with respect to executive development and succession planning and provide this evaluation to the Compensation Committee for its use as part of its annual review of the overall performance of the Chief Executive Officer.
17. Recommend to the Board for its approval the hiring and the termination of any executive officer of the Company, including the Chief Executive Officer and the Chief Financial Officer.

General

18. Have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
19. If necessary, have the authority to institute special investigations deemed necessary for any reason and, if appropriate, hire special counsel or other experts to assist the Nominating and Corporate Governance Committee with respect to such investigation.
20. Have the authority to retain and terminate consultants as needed to conduct searches for new directors.
21. Have the authority to direct the payment of fees and costs of counsel, experts and/or other advisors retained by the Committee, which fees and costs shall be borne by the Company.

MEETINGS

The Nominating and Corporate Governance Committee will meet at least two times each year. The Nominating and Corporate Governance Committee may establish its own schedule and shall provide such schedule to the Board of Directors in advance. The Nominating and Corporate Governance Committee, as it may determine to be appropriate, may meet in separate executive sessions with other directors, the Chief Executive Officer and other company employees, agents or representatives invited by the Nominating and Corporate Governance Committee.

MINUTES

The Nominating and Corporate Governance Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

REPORTS

The Nominating and Corporate Governance Committee will report to the Board of Directors at an appropriate time prior to preparation of the Company's proxy statement for its annual meeting the Nominating and Corporate Governance Committee's recommendations for director nominees at each annual meeting of stockholders.

The Nominating and Corporate Governance Committee will also annually report to the Board of Directors the results of: (1) an oversight review of the performance of the Board of Directors and its committees; (2) the Nominating and Corporate Governance Committee's assessment of the Company's corporate governance principles and implementation; and (3) an annual review by the Nominating and Corporate Governance Committee of its own performance.

The Nominating and Corporate Governance Committee will also provide additional reports to the Board of Directors as the Nominating and Corporate Governance Committee may determine to be appropriate in light of its purposes and functions.

COMPENSATION

Subject to any applicable regulatory requirements, members of the Nominating and Corporate Governance Committee shall receive such fees, if any, for their service as Nominating and Corporate Governance Committee members as may be determined by the Board of Directors in its sole discretion. Such fees may include retainers or per meeting fees. Fees may be paid in such form of consideration as is determined by the Board of Directors.

EFFECTIVE DATE

This Amended and Restated Charter of the Nominating and Corporate Governance Committee has been adopted by the Board of Directors and is effective as of August 25, 2005.