

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

COMPOSITION

Membership of the Nominating and Corporate Governance Committee (the “Committee”) of Harbor BioSciences, Inc. (the “Company”) shall consist of at least two Board members who qualify as independent within the meaning prescribed by The Nasdaq Stock Market, Inc. The members of the Committee and the Committee chairperson shall be appointed by the Board.

FUNCTIONS AND AUTHORITY

The operation of the Committee will be subject to, and the policies and procedures set forth herein will not be applicable to the extent they are in conflict with, (i) the provisions of the Bylaws of the Company and the State of Delaware Corporation Law, each as in effect from time to time, and (ii) any contractual arrangements entered into by the Company prior to November 4, 2003. Subject to the preceding sentence, the Committee will have the full power and authority to carry out the following primary responsibilities or to delegate such power and authority to one or more subcommittees of the Committee:

- *Director Nominations* – The Committee, in consultation with the Chairman and the Chief Executive Officer, has the primary responsibility for establishing criteria for Board membership and identifying, evaluating, reviewing and recommending qualified candidates to serve on the Board. The Committee shall also have the primary responsibility for reviewing, evaluating and considering the recommendation for nomination of incumbent directors for reelection to the Board, as well as monitoring the size of the Board. The selection of nominees for Director to be presented to the stockholders for election or reelection, and the selection of new Directors to fill vacancies and newly created directorships on the Board, shall be made by the full Board based on the recommendations of the Committee.
- *Committee Meeting Attendees* – The Committee shall be authorized to request members of senior management, outside counsel or other advisors to participate in Committee meetings.
- *Recommendations* – The Committee will consider potential nominees proposed by members of the Committee, other Directors, management and stockholders. Because it is in the Company’s best interest to promote a healthy working relationship between management and the Board, the Committee is encouraged to solicit and take into consideration the views of management on potential nominees, including the views of the Chief Executive Officer, who can offer perspectives on the Company’s challenges and strategic direction that may be helpful in evaluating the potential contributions of the proposed nominees. If appropriate under the circumstances and in consultation with senior management, the Committee may also determine to engage a professional search firm to assist in identifying qualified candidates. The Committee shall also have the power and authority to consider recommendations for Board nominees and proposals submitted by the Company’s stockholders and to establish any policies, requirements, criteria and procedures, including policies and procedures to facilitate stockholder communications with the Board of Directors, to recommend to the Board appropriate action on any such proposal or recommendation and to make any disclosures required by applicable law in the course of exercising its authority.

- *Board Committee Nominations* – The Committee, after due consideration of the interests, independence and experience of the individual Directors and the independence and experience requirements of Nasdaq, the rules and regulations of the Securities and Exchange Commission and applicable law, as well as the views of the Chairman, the Chief Executive Officer and the other Directors, shall recommend to the entire Board annually the chairmanship and membership of each committee.
- *Board Assessment* – The Committee shall periodically review, discuss and assess the performance of the Board, including Board committees and Committee members, seeking input from senior management, the full Board and others. The assessment includes evaluation of the Board’s contribution as a whole, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair such directors’ independence. The Committee shall also assess the overall Board composition and makeup and specific areas in which the Board and/or management believe better contributions could be made. The factors to be considered shall include whether the Directors, both individually and collectively, can and do provide the skills and expertise appropriate for the Company. The Committee shall also consider and assess the independence of Directors, including whether a majority of the Board continue to be independent within the meaning prescribed by The Nasdaq Stock Market. The results of such reviews shall be provided to the Board for further discussion as appropriate.

CORPORATE GOVERNANCE PRINCIPLES

The Committee shall develop a set of corporate governance principles to be applicable to the Company, shall periodically review and assess these principles and their application, and shall recommend any changes deemed appropriate to the Board for its consideration. Further, the Committee shall periodically review Company policy statements to determine their adherence to such corporate governance principles.

MEETINGS

The Committee will hold at least one regular meeting per year and additional meetings as the Committee deems appropriate.

MINUTES AND REPORTS

Minutes of each meeting will be kept and distributed to each member of the Committee, members of the Board who are not members of the Committee and the Secretary of the Company. The Chairman of the Committee will report to the Board from time to time, or whenever so requested by the Board.