



INKINE PHARMACEUTICAL COMPANY, INC.
COMPENSATION COMMITTEE CHARTER

Purpose

The Compensation Committee is appointed by the Board of Directors to review and approve the Corporation's compensation and benefit programs.

Committee Membership

The Committee will be composed of at least two directors. All members of the Committee shall satisfy the definition of "independent" under the listing standards of The Nasdaq Stock Market ("Nasdaq"). The Committee members will be appointed by the Board and may be removed by the Board in its discretion. The Chairman of the Committee will be designated by the Board. The Committee shall have the authority to delegate any of its responsibilities to one or more subcommittees as the Committee may from time to time deem appropriate. Each such subcommittee shall consist of one or more members of the Committee. The Committee shall also have the authority to delegate any of its administrative or other responsibilities to executive officers or other employees of the Corporation where such delegation is consistent with applicable law and Nasdaq listing standards.

Meetings

The Committee shall meet as often as its members deem necessary to perform the Committee's responsibilities.

Committee Authority and Responsibilities

The Committee shall:

- evaluate the performance of the Chief Executive Officer in light of the Corporation's goals and objectives and determine the Chief Executive Officer's compensation based on this evaluation and such other factors as the Committee shall deem appropriate;
- approve all salary, bonus, and long-term incentive awards for executive officers;
- approve the aggregate amounts and methodology for determination of all salary, bonus, and long-term incentive awards for all employees other than executive officers;
- review and recommend employee equity-based plans to the full Board and approve all grants and awards thereunder;
- review and approve changes in the Corporation's qualified benefit plans that result in a material change in costs or the benefit levels provided;
- administer the Corporation's stock option and other equity incentive plans; and
- approve the annual Committee report on executive compensation for inclusion in the Corporation's proxy statement.

The Committee will have the authority, to the extent it deems necessary or appropriate, to retain compensation consultants and other professional advisors to assist it in carrying out its responsibilities. The Corporation will provide for appropriate funding, as determined by the Committee, for payment of the fees and expenses of any advisors retained by the Committee.

The Committee will make regular reports to the Board and will propose any necessary action to the Board. Such reports shall provide information with respect to any delegation of authority by the full Committee to a subcommittee, to management, or to third parties.

The Committee will review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

The Committee will annually evaluate the Committee's own performance and provide a report on such evaluation to the Board.