

IGI INC.

ORGANIZATION AND COMPENSATION COMMITTEE CHARTER (As amended, effective February 10, 2004)

The Organization and Compensation Committee of the Board of Directors of IGI Inc. (the "Committee") shall consist of no fewer than two members. All members of the Committee shall be independent directors and shall satisfy the independence standards established by the American Stock Exchange and the Securities and Exchange Commission. The members of the Committee shall be appointed by the Board of Directors upon recommendation of the Nominating and Corporate Governance Committee and may be removed by the Board of Directors in its discretion.

The purpose of the Committee shall be to: (i) recommend to the Board of Directors compensation arrangements for the Chief Executive Officer and other executive officers and review their responsibilities and performance and plans for their succession; and (ii) approve compensation arrangements for and changes in other corporate officers.

In furtherance of this purpose, the Committee shall have the following goals and responsibilities:

1. Review with appropriate representatives of IGI management: IGI's organization structure and, in particular, the responsibilities and performance of executive officers and from time to time senior operations executives and the plans for their succession; and report at least annually thereon to the Board of Directors.
2. After consideration of appropriate competitive data, recommend to the Board compensation and fringe benefits (except pension generally applicable to salaried employees) for executive officers.
3. After consideration of appropriate competitive data and any recommendation made by the Chief Executive Officer approve: (i) executive salary structure; and (ii) compensation and fringe benefits (except pensions generally applicable to salaried employees) for other corporate officers.
4. In connection with IGI annual incentive compensation program, each year: (i) review and approve the Chief Executive Officer's goals and his/her performance against those goals; (ii) approve annual incentive compensation targets; (iii) approve an annual incentive compensation award for the Chief Executive Officer, other executive officers and other corporate officers; (iv) review the annual performance objectives of the other executive officers; and (v) review annual incentive compensation awards for senior operations executives.

5. Review with appropriate officers of IGI: (i) changes in corporate officers; (ii) policy on matters pertaining to compensation; (iii) special benefits and perquisites; (iv) each year on a retrospective basis, compensation changes made in the prior year to determine whether policies established by the Committee have been executed as intended and are achieving the intended result; (v) each year on a retrospective basis, corporate results against corporate goals; and (vi) any other matter of concern to the Committee relating to overall corporate organization or compensation policy for IGI.
6. Prepare an annual report on executive compensation for the proxy statement.

The Committee shall have sole authority to retain and terminate any consulting firm to assist it in carrying out its duties and responsibility, as the committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and other retention terms.

The Committee shall conduct an annual performance evaluation of the Committee and the Committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board of Directors for approval.

The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion.

The Committee shall regularly report its actions and recommendations to the Board of Directors.

Revised February 10, 2004