

IGI Inc.

**NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER
(As amended, effective February 10, 2004)**

The Nominating and Corporate Governance 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 Securities and Exchange Commission. The members of the Committee shall be appointed by the Board of Directors in its discretion.

The purpose of the Committee shall be to identify individuals qualified to become board members, and to recommend that the board select the director nominees for the next annual meeting of shareholders, to develop and recommend to the board a set of corporate governance principles applicable to the Corporation, and to make recommendations on compensation of the Board of Directors.

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

1. To identify, review and recommend to the Board of Directors, in timely fashion, qualified candidates for director nominees to fill any existing or anticipated vacancy on the Board of Directors;
2. To identify, review and recommend to the Board of Directors, prior to each year's annual meeting of shareholders, successors to the class of Directors whose term shall then expire (including any Director in such class proposing to stand for election to another term), and additional director nominees, if any, for election to the Board of Directors on whose behalf the Board of Directors will solicit proxies;
3. To recommend to the Board of Directors the size of the Board of Directors;
4. To review and make recommendations to the Board of Directors with respect to suggestions for director nominees made by shareholders to the Board of Directors or to management in accordance with the By-Laws of the Corporation;
5. To review annually the Board of Director's overall performance and oversee the annual performance evaluation for each of its committees;
6. To recommend to the Board of Directors whether resignations tendered by members who have had a substantial change in their job responsibilities should be accepted; To annually review the Board of Directors committee structure, charters and membership and recommend to the Board of Directors changes, if any; and to, in consultation with the Chairman of the Board, recommend to the Board of

Directors the assignment of members of the Board of Directors to the various committees and appointment, rotation or removal of committee chairs;

7. To review and make recommendations to the Board of Directors with respect to changes in Directors' compensation and benefits; and
8. To develop and recommend to the Board of Directors a set of corporate governance guidelines and to review the guidelines at least annually and recommend changes as necessary.

The Committee shall have sole authority to retain any search firm engaged to assist in identifying director candidates, and to retain outside counsel and any other advisors as the committee may deem appropriate in its sole discretion. The committee shall have sole authority to approve related fees and 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 regularly report its actions and recommendations to the Board of Directors.

Revised February 12, 2004