

MIGENIX Inc. (the “Company”)

Compensation Committee Mandate

The purpose of these terms of reference is to outline the areas in which the Committee is interested and expects to make recommendations to the Board. The Committee expects the CEO to report and recommend changes, when appropriate.

Frequency of CEO reporting: No less than semi-annually. The CEO will recommend corporate performance objectives and performance objectives for CEO reports. The CEO will provide the Committee with reports on performance against objectives.

Duties of the Committee:

1. Review, recommend to the Board, corporate performance objectives that might be used for the setting of employee incentive compensation;
2. Review, recommend to the Board, objectives for CEO and CEO reports in the light of strategic goals; these objectives may relate exclusively to corporate objectives, or may be individual objectives or may be a combination of corporate and individual objectives;
3. Review performance against objectives for the preceding year; and
4. Review and recommend for approval by the Board compensation levels in the light of competitive information and in advance of the date upon which the Board considers the annual budget. Recommend to the Board future compensation for CEO and CEO reports, including compensation for future hires, in line with annual budget timelines.

Definition of Compensation: This should include cash compensation, substantial fringe benefits, perks and stock options.

Compensation Policy for All Professional Employees: This should also be reviewed once each year in an effort to establish a coherent policy with particular attention to our percentile standing against the companies with which we compete for human resources. Changes, if any, should be recommended by the CEO.

Compensation of Directors: This should also be reviewed once each year in the light of competitive information on the compensation of directors in similar companies.