

PHARMION CORPORATION

CORPORATE GOVERNANCE GUIDELINES

Overview

The following principles have been adopted by the Board of directors (the “Board”) of Pharmion Corporation (“Pharmion” or the “Company”) as the Company’s corporate governance guidelines (“Guidelines”). These Guidelines, along with the Company’s Certificate of Incorporation and Bylaws and the charters of the Board committees, provide the framework for the governance of Pharmion. The Guidelines are intended to assist the Board in the exercise of its responsibilities. As the operation of the Board is a dynamic process, with the aid of the Nominating and Corporate Governance Committee, these Guidelines will be reviewed periodically and may be changed by the Board from time to time. These Guidelines are in addition to and are not intended to change or interpret any federal or state law, including the General Corporation Law of Delaware.

1. Role of the Board of Directors

The basic responsibility of the Board is to exercise their business judgment to act in a manner they reasonably believe to be in the best long-term interests of the Company and its stockholders. In discharging this responsibility, the Board’s primary functions include:

- selecting the chief executive officer, reviewing and approving the selection of other senior officers and reviewing management succession planning;
- overseeing and assessing the Company’s business goals, strategies and performance;
- evaluating and approving financial and internal controls and disclosure practices;
- nominating directors, reviewing the structure and operation of the Board, and overseeing effective corporate governance; and
- assuring processes are in place for maintaining the integrity of the Company, including the integrity and transparency of its financial statements, compliance with laws and ethics, the integrity of relationships with customers and suppliers, and relationships with other stakeholders.

2. Meetings of the Board

Directors are expected to fully participate and attend in person meetings of the Board and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities, with the understanding that occasionally a director may not be able to attend a meeting. A director who is not able to attend a meeting is expected to notify the Board or the applicable committee chair in advance. Materials containing information and data that are important to the Board’s understanding of the business to be conducted at a Board or committee meeting should generally be distributed to the directors before the meeting, and directors are expected to review these materials in advance of the meeting.

The Board shall be responsible for its agenda. The CEO will propose for the Board’s approval key topics to be scheduled and discussed during the course of the next year and the Board will be invited to offer its suggestions. Each Board member is free to suggest agenda topics. The Board will review the Company’s long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

Independent directors shall meet without the presence of management or the non-independent directors at least twice a year during the regularly scheduled Board meetings. These executive sessions will be called and chaired by the Lead Independent Director.

The Board believes that the management speaks for the Company. Individual Board members may, from time to time, be requested to meet or otherwise communicate with various constituencies that are involved with the Company. It is expected that Board members not speak for the Company except with the express knowledge, and upon the request, of management, absent unusual circumstances or as contemplated by the committee charters. In discharging their obligations, the Board is entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The Board shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by Delaware law and the Company's certificate of incorporation, bylaws and any indemnification agreements.

The Board is committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities. The Board expects the Company's directors, officers and all other members of its workforce to act ethically at all times and to acknowledge their adherence to the policies comprising the Company's Code of Conduct. If a director becomes involved in activities or interests that conflict or appear to conflict with the interests of the Company, the director is required to disclose such conflict or potential conflict promptly to the Board. The Board will determine an appropriate resolution on a case-by-case basis. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests.

3. Board Composition and Director Qualifications

The Board will have a majority of directors who meet the criteria for independence required under Securities and Exchange Commission (the "SEC") and Nasdaq Marketplace ("Nasdaq") rules. To be considered independent, the Board must affirmatively determine that neither the director nor an immediate family member has had any direct or indirect material relationship with the Company within the last three years. Although the majority of directors must be independent, it is recognized that directors who do not meet the independence standards also make valuable contributions to the Board and to the Company by reason of their experience, knowledge and familiarity with the Company.

The Board has a policy requiring the separation of the offices of chairman of the Board (the "Chairman") and the chief executive officer. The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to make this determination when it selects the chief executive officer. The Board is also responsible for designating an independent director as the Lead Independent Director. The Chairman may act as the Lead Independent Director if the Chairman qualifies as independent. The Lead Independent Director chairs the executive sessions of independent directors, coordinates the activities of the other independent directors, and performs such other duties as deemed necessary by the Board from time to time.

The Nominating and Corporate Governance Committee is responsible for establishing criteria and procedures for identifying candidates for Board membership, based upon its assessment of the current composition of the Board and the needs of the Company. This assessment should include the areas of core competency established by the Board and should strive for a mix of skills and diverse perspectives (functional, cultural and geographic) that is effective for the Board at that point in time.

Candidates nominated for the election or re-election to the Board should possess the following qualifications:

- high personal and professional ethics, integrity, practical wisdom and mature judgment;
- expertise that is useful to the Company and complementary to the background and experience of other Board members;

- willingness to devote the required amount of time to carrying out duties and responsibilities of Board membership;
- commitment to serve on the Board over a period of several years to develop knowledge about the Company's principal operations; and
- willingness to represent the best interests of all shareholders and objectively appraise management performance.

The Company's Certificate of Incorporation divides the Company's Board of Directors into three classes. The members of each class of directors serve staggered three-year terms. The directors are elected by the stockholders at the Company's annual meeting. The Board will select nominees and recommend them for election by stockholders and fill any vacancies that may arise between annual stockholder meetings. As part of its selection process, the Board may consider recommendations from other sources of director candidates with backgrounds and experience that will enhance the quality of the Board, serve stockholders' long-term interests and contribute to the Company's overall corporate goals. The Board may delegate the screening process to the Nominating and Corporate Governance Committee. Stockholders may also recommend nominees for consideration by the Nominating and Corporate Governance Committee by submitting their names and additional information to: Nominating and Corporate Governance Committee, c/o Corporate Secretary, Pharmion Corporation, 2525 28th Street, Boulder, CO 80301.

Directors should advise the Board and the chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company board. The Board recommends that the CEO serve as an outside director on no more than two other publicly traded companies. The Board recommends that directors serve on no more than four public company boards.

The Board does not believe it should establish term limits or a mandatory retirement age. While such policies could help insure that there are fresh ideas and viewpoints available to the Board, they disadvantage the Company by losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to term limits, the Nominating and Corporate Governance Committee will review each director's continuation on the Board every three years. This will allow each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board.

4. Board Committees

The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. All of the members of these committees will be independent directors under the criteria established by Nasdaq. The Board will appoint committee members and the committee chairs after considering the desires of individual directors. The Nominating and Corporate Governance Committee may periodically review and make recommendations to the Board concerning the types, duties, functions, size, operation and membership of Board committees. The Board encourages the periodic rotating of committee members, but does not feel that rotation should be mandated as a policy.

Each committee will have its own charter, which will be published on the Company's external web site. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance.

The chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chair of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year, each committee will

establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen).

The committee chairs report the highlights of their meetings to the Board following each meeting of the respective committees. The committees occasionally hold meetings in conjunction with the Board.

The Board and each committee have the power to hire independent legal, financial or other advisor's as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

5. Director Access to Officers and Employees

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO, the secretary of the Board or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent it is not inappropriate, copy the CEO on any written communications between a director and an officer or employee of the Company. The Board encourages regular attendance at Board meetings of senior officers of the Company as appropriate and to the extent it would be helpful to the Board.

6. Director Compensation

The form and amount of director compensation will be determined by the Board based on the recommendation of the Compensation Committee in accordance with the policies and principles set forth in its charter. The Compensation Committee will conduct a periodic review of outside director compensation, taking into account such factors as the Company's size, industry characteristics, the practices at comparable companies and such other factors as the Committee deems relevant. The Compensation Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

7. Director Orientation and Continuing Education

All new directors will participate in a company orientation program. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its ethics policies, its principal officers, and its internal and independent auditors. In addition, the orientation program will include visits to company headquarters and, to the extent practical and beneficial, certain of the Company's significant facilities. All other directors should also be invited to attend orientation programs.

Directors are also encouraged to attend relevant educational programs related to their duties on the Board of directors, including programs such as those accredited by Institutional Shareholder Services. Senior management will keep directors apprised of relevant educational programs, materials and other opportunities to enhance their experience and skills as directors.

8. CEO Evaluation and Management Succession

Annually, as set forth in its charter, the Compensation Committee will review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and recommend to the Board the CEO's compensation levels based on this evaluation. The Board will review the Compensation Committee's report to ensure that the CEO is providing the best leadership for the Company.

The Nominating and Corporate Governance Committee should work closely with the Company's Human Resources Department to fully understand the capabilities of key employees and on succession planning. The full Board will work with the Nominating and Corporate Governance Committee to nominate and evaluate potential successors to the CEO. At all times, the CEO should make his or her recommendations and evaluations of potential successors available, along with a review of any development plans recommended for such individuals.

9. Annual Performance Evaluation

The Nominating and Corporate Governance Committee will assist in conducting an annual review and self-evaluation of the Board's performance and effectiveness. This will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

10. Communications with Directors, including Members of the Audit Committee

Anyone who wishes to may send a communication to the Board or any member of the Board regarding any matter. Any such communication may be confidential or anonymous, and may be e-mailed, submitted in writing to designated addresses, or reported by phone using a global, toll-free telephone number provided by the Company. Interested parties may communicate in this manner with any director, including the non-management directors individually or as a group. The Corporate Secretary will receive these communications and, if addressed to a specific committee, director or group of directors, forward them to the appropriate recipient. All communications sent to the Board without specified addressees will be received and reviewed by the Corporate Secretary and forwarded to the appropriate board member or committee.

Anyone who has a concern about the Company's conduct, or about the Company's accounting, internal accounting controls or auditing matters, may communicate that concern directly to the Company's Audit Committee. Any such communications must be addressed to the Company's Audit Committee, may be confidential or anonymous and may be e-mailed, submitted in writing to designated addresses, or reported by phone using a global, toll-free telephone number provided by the Company. These communications will be received by the Corporate Secretary and forwarded immediately to the members of the Audit Committee.