

Noven Pharmaceuticals, Inc.

Board of Directors

Corporate Governance Guidelines

(dated as of May 23, 2006)

A. Composition of the Board

1. Size of the Board

The Company's Bylaws provide that the number of Directors shall be not less than three or more than ten. The Board will periodically review the appropriate size of the Board.

2. Independent Directors.

The Board should have a significant majority of independent Directors and the expectation of the Board is that the number of employee Directors should not exceed two. The determination of a Director's independence shall be made in accordance with the applicable rules of the Securities and Exchange Commission and the NASDAQ Stock Market. Such determination shall be made by the Board following a review of all relevant information and a recommendation by the Nominating and Corporate Governance Committee.

3. Director Qualifications.

The Board seeks members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated and be selected based upon contributions they can make to the Board and the Company.

4. Selection of New Directors.

The Nominating and Corporate Governance Committee shall, as one of its responsibilities, recommend director candidates to the full Board based on recommendations from the Chairman, the Chief Executive Officer, other board members and the Company's stockholders. Recommendations from stockholders should be submitted to the Company in accordance with the procedures set forth in the Company's Bylaws. Board candidates should be considered by the

Nominating and Corporate Governance Committee on a case-by-case basis using various criteria, such as a candidate's business and industry experience, personal and professional reputation, professional skill, status as an "independent" director, financial expertise and the current composition of the Board. There are no minimum criteria for nomination to the Board.

5. Director Tenure.

While the Board does not favor term limits or a mandatory retirement age for Directors, the Nominating and Corporate Governance Committee should consider a director's tenure in making a recommendation to the Board whether or not a director should be nominated for reelection to another term. In particular, the Nominating and Corporate Governance Committee should consider factors such as the Director's continued productivity and the value to the Company of retaining such director.

Employee Directors are expected to resign from the Board upon their resignation, removal or retirement as an officer of the Company. There may be circumstances where this policy would not apply, including circumstances where it would be in the best interest of the Corporation for the Chairman and Chief Executive Officer to remain in the role of Chairman in connection with the appointment of a new Chief Executive Officer.

6. Directors Changing Their Present Job Responsibility.

A Director shall offer, in writing, to resign if there is any significant change in his or her personal circumstances, including a fundamental change in his or her job responsibilities. The Chairman of the Nominating and Corporate Governance Committee may recommend, to the full Board, acceptance or rejection of such an offer after consultation with the Nominating and Corporate Governance Committee members and the Chairman of the Board.

7. Other Directorships.

Directors are expected to advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee promptly upon accepting any other public company directorship or any assignment to the audit committee or compensation committee of any public company of which such Director is a member. Unless the Board determines that the carrying out of a Director's responsibilities to the Company will not be adversely affected by the Director's other directorships, Directors should not serve on more than four other public company boards.

B. Responsibilities

1. Basic Duties

The basic responsibility of the Directors is to exercise their business judgment in good faith to act in what they believe to be in the best interests of the Company. Directors are expected to regularly attend Board meetings 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. To prepare for meetings, Directors are expected to review the materials that are sent to Directors in advance of those meetings. Directors are also expected to attend the Company's Annual Meeting of Stockholders, absent a valid reason, such as a scheduling conflict.

2. Board Meetings

(a) Selection of Agenda Items.

The Chairman and Chief Executive Officer, in consultation with the Corporate Secretary and members of the Board, should establish the agenda for Board meetings. Directors may raise at any Board meeting subjects that are not on the agenda for that meeting.

(b) Distribution of Materials.

The Board believes it is critical for members to have materials on topics to be discussed sufficiently in advance of the meeting date and for Board members to be kept abreast of significant developments between Board meetings. The Company regularly informs Board members of Company and competitive developments and shall distribute, sufficiently in advance of meetings to permit meaningful review, written materials for use at Board meetings.

(c) Board Presentations.

The Board members can generally expect to receive summaries/slides of presentations several business days in advance of a meeting to enable them to prepare for the meeting.

(d) Attendance of Non-Directors.

The Board believes that attendance of key executive officers augments the meeting process. The Company's Chief Financial Officer and General Counsel regularly attend all scheduled Board meetings. The Chief Executive Officer encourages both

persons to respond to questions posed by Board members relating to their areas of expertise. Such persons shall not attend Executive Sessions of the Board or any committee thereof, unless requested. The Board also believes that executive officers of the Company can assist the Board with its deliberations and provide critical insights and analyses, particularly when the Board hears presentations on the business plan for the upcoming year. Attendance of such officers allows the most knowledgeable and accountable executives to communicate directly with the Board. It also provides the Board direct access to individuals critical to the Company's succession planning.

(e) Participation in Strategic Issues Discussions.

The full Board should engage in discussions on strategic issues and ensure that there is sufficient time devoted to Director interchange on these subjects.

(f) Number of Meetings.

The Board of Directors shall hold a minimum of four meetings per year.

3. Conflicts of Interest.

Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company, or gives the appearance of a conflict. The Company annually solicits information from Directors in order to monitor potential conflicts of interest and Directors are expected to be mindful of their fiduciary obligations to the Company. When faced with a situation involving a potential conflict of interest, Directors are encouraged to seek advice from the General Counsel. Directors shall recuse themselves and not participate in the discussion and vote on any matter presented at a Board meeting if they believe that they have a personal interest or a conflict of interest. If a significant conflict of interest with a Director exists and cannot be resolved, the Director is expected to tender his or her resignation to the Chairman of the Board.

4. Consulting Agreements with Directors.

The Board believes that, absent extraordinary circumstances, the Company should not enter into paid consulting arrangements with independent Directors.

5. Share Ownership by Directors.

The Board believes that the number of shares of the Company's common stock owned by each Director is a personal decision; however, the Board strongly supports the position that Directors should own a meaningful number of shares in

the Company. Directors agree to pledge that for as long as they serve as Directors of the Company, they will retain at least 50% of the director's fee paid in the Company's common stock during the previous five years.

6. Director Compensation.

The Nominating and Corporate Governance Committee shall recommend Director compensation and benefits to the full Board based on comparable information for companies of similar size and recommendations from management. Directors who are officers of the company shall receive no additional remuneration for serving as a Director. The Nominating and Corporate Governance Committee will seek, among other factors, a compensation program that aligns the Board with the long-term interests of the Company's stockholders, compensates directors fairly for their work and promotes ownership by the directors of Company stock. The Committee will obtain advice on competitive compensation practices and may retain an outside consultant for this purpose. The Committee shall provide for pro-rated compensation treatment for directors who are appointed to the Board other than coincident with the Company's Annual Meeting of Stockholders.

7. Assessing Board Performance.

The Nominating and Corporate Governance Committee has the responsibility to assess the Board's performance and effectiveness. A self-evaluation shall be conducted annually to determine whether the Board and its committees are functioning effectively. The Board will discuss the results of the self-evaluations to determine what actions could improve Board and committee performance. In addition, the Audit Committee shall annually conduct a self-assessment of the performance and effectiveness of the Audit Committee in accordance with its charter.

8. Lead Independent Director.

The Chairman of the Nominating and Corporate Governance Committee (or such other independent Director selected by the independent Directors) shall serve as the Lead Independent Director at any time that the Chairman of the Board also serves as an executive officer of the Company. The Lead Independent Director shall preside at executive sessions of the independent Directors and shall generally be responsible for coordinating the activities of the other independent Directors.

9. Executive Sessions of Independent Directors.

The independent Directors shall meet at each regularly scheduled Board meeting.

10. Board Access to Management and Independent Advisors.

Board members have complete and open access to members of management. The Chief Executive Officer shall invite key employees to attend Board and Committee meetings at which the Chief Executive Officer believes they can meaningfully contribute to Board and Committee discussion. The Board and committees may consult with and retain independent legal, financial and other advisors as they may deem necessary.

11. Confidentiality of Information.

In order to facilitate open discussion, the Board believes maintaining confidentiality of information and deliberations is an imperative.

12. Director Orientation and Continuing Education.

New Directors shall participate in an orientation program to familiarize themselves with the Company's businesses and operations, and their responsibilities and duties as Directors. Continuing education for Directors shall be conducted through a number of methods, including presentations by the Company's officers concerning the Company's strategies, initiatives and business plans; and presentations by outside parties concerning industry issues and general business and regulatory matters. In addition, Directors are encouraged to attend, at the Company's expense, director continuing education programs offered by various organizations.

13. Chief Executive Officer Evaluation and Executive Succession Planning

(a) The Board plans for succession to the position of Chief Executive Officer. The Compensation Committee is responsible for making recommendations to the Board about succession planning. The Compensation Committee also recommends to the Board crisis plans in the event of an emergency or the unexpected retirement of the Chief Executive Officer.

(b) The Chief Executive Officer shall annually report to the Board his or her assessment of senior managers and their potential to succeed him or her, and such report shall be reviewed by the Compensation Committee. The report shall also contain the Chief Executive Officer's recommendation as to his or her successor.

(c) The Compensation Committee is responsible for making recommendations to the Board concerning performance goals for the Chief Executive Officer and for evaluating his or her performance against such goals.

C. Board Committees

1. Committee Structure.

The Board shall at all times maintain committees with the following responsibilities: an audit committee, a compensation committee, and a nominating and governance committee. Each of these committees shall operate in accordance with the applicable rules of the Securities and Exchange Commission and the Nasdaq Stock Market, including all requirements related to director independence.

2. Committee Charters.

Each committee shall have its own charter setting forth the purposes and responsibilities of the committee.

3. Rotation of Committee Assignments and Chairs.

Committee assignments and the designation of respective committee Chairs should be based on each Director's knowledge, interests and areas of expertise. The Board does not favor mandatory rotation of committee assignments or Chairs. The Board believes experience and continuity are more important than rotation and that Board members and Chairs should be rotated if rotation is likely to improve committee performance or facilitate committee work.

4. Frequency and Length of Board Committee Meetings.

The Chairman and Chief Executive Officer should regularly consult with committee Chairs to obtain their insights and to optimize committee performance. The committee Chairs, in consultation with the Chairman, the Chief Financial Officer and the General Counsel, should establish the frequency and length of committee meetings.

5. Development of Committee Agenda.

The committee Chairs, working with the Chairman and Chief Executive Officer, should establish committee agendas for the year. All standing committees should meet regularly during the year and receive reports from Company personnel on Company developments affecting the committee's work.

D. Stockholder Communication with Directors.

Stockholders who want to communicate with the Board or any individual Director may write to:

Noven Pharmaceuticals, Inc.
11960 SW 144th Street
Miami, Florida 33186
Attn: General Counsel

The letter should include a statement indicating that the sender is a Company stockholder. The General Counsel will review all stockholder letters to the Board and depending on the subject matter will:

- Regularly forward any letter that deals with the function of the Board or committees of the Board (or is otherwise appropriate for Board attention) to the Director or Directors to whom it is addressed;
- Attempt to handle the inquiry directly if it relates to routine or ministerial matters, including requests for information about the Company and stock-related matters; or
- Not forward the letter if it relates to an improper or irrelevant topic.

The General Counsel or another member of management will, at each meeting of the Board, present a summary of all letters received since the last meeting that were not forwarded to the Board and will make those letters available to the Board upon request.