

ARQULE, INC.

CHARTER OF THE SCIENCE COMMITTEE OF THE BOARD OF DIRECTORS

November 2002
Revised: January 2004

Purpose

The purpose of this Committee is to provide advice and direction to the Board of Directors concerning strategic scientific decisions and associated matters related to the scientific functions of ArQule, Inc. (the “Company”).

Responsibilities

The Committee is responsible for reviewing the scientific direction of the Company. In particular, the Committee will play a central role in deciding the manner by which the Company will become a drug discovery organization (whether by acquisition, merger, internal growth or a combination of those methods). The Committee will serve as the Board’s liaison to and/or representative on the Company’s Scientific Advisory Board. The Committee will perform such other services as assigned by the Board of Directors. The Committee will also be available to management to review data relating to new scientific directions for the Company, or other science related matters.

The Committee will not serve to review the day-to-day scientific issues related to the respective business units and technology platforms. Such issues will be handled by management.

Membership

The Committee shall be comprised of no fewer than one member of the Board. The Chairman of the Board will nominate new members to the Committee from time to time, for ratification by the entire Board of Directors.

The Chief Scientific Officer of the Company will provide support as needed and as requested by the Committee. Similarly the Committee will assist the Chief Scientific Officer as needed in scientific issues and in developing proposals for consideration of the Board of Directors.

Operations

The Committee will determine the regularity and venue of its meetings. The Chairman of the Board of Directors will appoint the chairperson of the Committee. The Committee’s chairperson will determine the method by which decisions will be made by the Committee and under what circumstances (e.g., consensus, supermajority, majority).

Communications and Output

Resolutions of the Committee will be captured in minutes which will be filed with the records of the meetings of the Committees of the Board of Directors.

This Charter was adopted by the Board of Directors on January 16, 2003 and revised on January 15, 2004.