

Audit Committee Charter

PURPOSE OF COMMITTEE

The primary purpose of the Audit Committee (the “Committee”) shall be to act on behalf of the Board of Directors (the “Board”) of Hana Biosciences, a Delaware corporation (the “Company”), in fulfilling the Board’s oversight responsibilities with respect to the Company’s corporate accounting and financial reporting processes, the systems of internal accounting and financial controls and audits of financial statements, the quality and integrity of the Company’s financial statements and reports and the qualifications, independence and performance of the firm or firms of certified public accountants engaged as the Company’s independent outside auditors (the “Auditors”) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services. The Committee shall also provide oversight assistance in connection with the Company’s legal, regulatory and ethical compliance programs as established by management and the Board. The operation of the Committee shall be subject to the Bylaws of the Company and Section 141 of the Delaware General Corporation Law, each as may be in effect from time to time.

The policy of the Committee, in discharging these obligations, shall be to maintain and foster an open avenue of communication among the Committee, the Auditors and the Company’s financial management.

RESPONSIBILITIES

Hana's management is responsible for the preparation, presentation, and integrity of the Company's financial statements. This process includes ensuring that the financial statements are accurate, complete and stated in accordance with GAAP or otherwise conform to applicable laws. It shall be the responsibility of the Auditors to audit the financial statements. These functions shall not be the responsibility of the Committee. Although the financial reporting is the responsibility of management, it is overseen by the Board of Directors. It is the charter of the Hana Audit Committee to act for the Board of Directors as follows:

1. Responsible for monitoring the integrity of Hana's financial statements and financial reporting process.
2. Review and discuss with management management's program to maintain adequate internal controls regarding finance and accounting, including legal and regulatory compliance matters.
3. Monitor the independence and performance of Hana's independent auditor. This process includes the overseeing of the annual financial audit, quarterly reviews and non-audit services. The Audit Committee is responsible for the selection, compensation, evaluation, retention and possible replacement of the independent auditor. The independent auditor reports directly to and is directly accountable to the Audit Committee.
4. Pre-approve all professional services related to the financial process which include as follows
1) audit services, 2) audit- related services, 3) tax services, and 4) other services that may be

performed by the independent auditor. The Audit Committee is required to establish relevant policies and procedures for the engagement of the independent auditor to provide permission for non-audit services.

5. Assure that the lead audit partner and the reviewing audit partner are rotated every five years, or as required by applicable laws and rules.

6. Ensure that the Committee receives from the independent auditors all written disclosures and letters required by Independence Standards Board Standard 1 which detail all relationships between the independent auditors and the Company.

7. Review and discuss with the independent auditors any difficulties encountered in the course of the audit including any restrictions on the scope of the audit or denied access to requested information.

8. The Committee will be responsible for the ultimate resolution of any material conflicts or disagreements between the independent auditors and management regarding financial reporting, accounting practices or policies.

9. Assure that the Company has disclosed this charter in an appendix to Hana's proxy statement at least once every three years.

10. Discuss, with the independent auditor, the matters required to be discussed by Statement on Auditing Standards No. 61, and as amended by Statement on Auditing Standards No. 90.

11. Prepare the Audit Committee report as required by the rules of the Securities and Exchange Commission (SEC). This report will be included in the Company's annual proxy statement.

12. Annually review and discuss with management and its independent auditors (1) management's assessment of the internal control structure effectiveness and procedures for financial reporting and (2) the independent auditors' attestation to, and report on, management's control assessment when such requirement becomes effective under Section 404 of the Sarbanes-Oxley Act of 2002.

13. Review and discuss with management and the independent auditors the annual audited and quarterly financial statements of the Company. Also, discuss with management all disclosures under "Management's Discussion and Analysis" to ensure accuracy prior to the filing of a report on Form 10-K or 10-Q with the SEC.

14. Receive a disclosure from the CEO and CFO during their certification process for the 10-K and 10-Q's about (1) any significant deficiencies and material weaknesses in design or operation of internal controls and (2) any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal controls.

15. Review and discuss with management, as appropriate, earnings press releases as well as the substance of financial information and earnings guidance provided to analysts and rating

agencies. The Chair of the Committee may represent the Committee for purposes of this discussion.

16. Review and discuss with management and the auditors, as appropriate, significant issues that arise regarding accounting principles and financial statement presentation, including critical accounting policies and practices available under GAAP related to material items discussed with management and any other significant reporting issues and judgments.

17. Review and discuss with management and the auditors, as appropriate, the Company's guidelines and policies with respect to safeguarding assets, risk assessment and risk management, including the Company's major financial risk exposures and the steps taken by management to monitor and control the exposures.

18. Review and discuss with the auditors and, if appropriate, management, any management or internal control letter issued or, to the extent practicable, proposed to be issued by the auditors and management's response, if any, to such letter, as well as any additional material written communications between the auditors and management.

19. Meet periodically in separate sessions with the auditors and management to discuss any matters that the Committee, the auditors, or management believe should be discussed privately with the Committee.

20. Consider and review with management, the auditors, outside counsel, as appropriate, and, in the judgment of the Committee such special counsel, separate accounting firm or other consultants and advisors as the Committee deems appropriate, any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.

21. Responsible for establishing hiring policies for employees or former employees of the independent auditor to ensure independence has not been compromised.

22. Review and approve related-person transactions, if any.

23. Establish and maintain procedures for the:

- Receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and
- The confidential, anonymous submissions by employees who have concerns regarding accounting or auditing matters they consider questionable.

24 Investigate any matter brought to the attention of the Committee within the scope of its duties, if, in the judgment of the Committee, such investigation is necessary or appropriate.

25. Review the adequacy of the Committee charter on an annual basis. All recommended changes will then be submitted to the Board for consideration.

26. Evaluate, on an annual basis, its own performance as a member of the Audit Committee. To carry out these responsibilities, the Audit Committee shall meet regularly and report its findings to the full Board of Directors from time to time and whenever requested to do so by the Board.

27. To perform such other functions and to have such powers as may be necessary or appropriate in the efficient and lawful discharge of the foregoing.

TERM AND MEMBERSHIP

The Committee shall be comprised of three or more directors as determined by the Board, or such greater number if so required by applicable law, rule or other regulation, each of whom shall be independent directors (as defined by all applicable rules and regulations of the Securities and Exchange Commission (the "Commission") and any other appropriate body, including any applicable stock market or stock exchange), and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices, including being able to read and understand financial statements and at least one member of the Committee shall have accounting or related financial management expertise. The Committee shall endeavor to have, as one of its members, an individual who qualifies as an "audit committee financial expert" in compliance with the criteria established by the Commission and other relevant regulations at the time the regulations require disclosure of the existence of an audit committee financial expert. The existence of such audit committee financial expert, including his or her name and whether or not he or she is independent, or the lack of an audit committee financial expert, shall be disclosed in the Corporation's periodic filings as required by the Commission.

Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board and shall serve two year terms or until their successors have been duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

MEETING FREQUENCY

It is expected that the Audit Committee will be the diligent administrator of the financial reporting process and ensure the Company's adherence to the internal financial controls. Because of this responsibility it is the Board's expectation that the Committee shall meet four (4) times annually with additional meeting taking place by teleconferences if deemed necessary. Additional meetings may be required throughout the year as Company circumstances dictate.

AUTHORITY

The Audit Committee shall have the authority to retain and determine compensation for, at the expense of the Company special legal, accounting or other consultants or advisors it deems

necessary or appropriate in the performance of its duties to fulfill its responsibilities under this charter. Additionally the Audit Committee may request any officer, employee, outside counsel, investment banker or independent auditor to attend any meeting of the Committee or meet with any member of the Committee or any of its special legal, accounting or other advisors or consultants.

The Committee shall also have the authority to pay, at the expense of the Company, ordinary administrative expenses that, as determined by the Committee, are necessary or appropriate in carrying out its duties. The Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary by any member of the Committee to discharge his or her responsibilities hereunder.