

NANOSPHERE, INC.

Charter of the Corporate Governance and Nominating Committee of the Board of Directors

I. PURPOSE

The purpose of the Corporate Governance and Nominating Committee (the “**Governance and Nominating Committee**”) of the Board of Directors (the “**Board**”) of Nanosphere, Inc. (the “**Company**”) is to assist the Board (i) in identifying qualified individuals to become Board members and executive officers, (ii) in the selection of nominees for election as directors at the next annual meeting of stockholders (or special meeting of stockholders at which directors are to be elected), (iii) in determining the composition of the Board and its committees, (iv) in monitoring a process to assess Board effectiveness and (v) in developing and implementing the Company's corporate governance guidelines and policies (the “**Policies**”).

In addition to the powers and responsibilities expressly delegated to the Governance and Nominating Committee in this Charter, the Governance and Nominating Committee may exercise any other powers and carry out any other responsibilities as may be required by applicable law, the Nasdaq Stock Market, the Company's amended and restated certificate of incorporation or amended and restated bylaws, or delegated to it by the Board from time to time consistent with the Company's amended and restated bylaws. The powers and responsibilities delegated by the Board to the Governance and Nominating Committee in this Charter or otherwise shall be exercised and carried out by the Governance and Nominating Committee as it deems appropriate without requirement of Board approval, and any decision made by the Governance and Nominating Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Governance and Nominating Committee hereunder) shall be at the Governance and Nominating Committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Governance and Nominating Committee shall have and may exercise all the powers and authority of the Board.

II. MEMBERSHIP

The Governance and Nominating Committee shall be comprised of two or more directors each of whom shall (i) be members of the Board, (ii) satisfy the independence requirements of the Nasdaq Stock Market and (iii) have experience, in the business judgment of the Board, that would be helpful in addressing the matters delegated to the Governance and Nominating Committee. Members of the Governance and Nominating Committee shall be appointed by the Board and may be removed by the Board in its discretion. Each member of the Governance and Nominating Committee shall be appointed by the Board at least annually and serve until the earlier to occur of his or her resignation or removal or the appointment of such member's successor. The Board shall designate a chairperson of the Governance and Nominating Committee.

III. DUTIES AND RESPONSIBILITIES

The Governance and Nominating Committee shall have the following authority, duties and responsibilities:

- (i) Review the structure of the Board, its committee structure, overall size and the number of independent directors on each committee;
- (ii) Actively seek candidates qualified to become Board members, including evaluating candidates suggested by stockholders or others, and conduct appropriate inquiries into the backgrounds and qualifications of possible nominees for election or appointment to the Board;
- (iii) Select and recommend to the Board for nomination or appointment prospective candidates for directors. The Governance and Nominating Committee shall select those candidates whose attributes it believes would be most beneficial to the Company. The Governance and Nominating Committee shall review the candidates' personal and professional integrity, ethics and values; experience in corporate management, such as serving as an officer or former officer of a publicly held company; experience in the Company's industry and with relevant social policy concerns; experiences as a board member of another publicly held company; diversity; and dedication in the context of the needs of the Board. The Governance and Nominating Committee shall also assess whether the candidates' qualifications meet the minimum criteria contained in the Policies;
- (iv) At least annually review the performance of each current director and shall consider the results of such evaluation when determining whether or not to recommend the nomination of such director for an additional term;
- (v) Review and consider candidates for executive officers. The Governance and Nominating Committee shall examine the qualifications of the candidates including, among others, the candidate's experience, integrity, and competence;
- (vi) Recommend to the Board directors to serve as members of each committee after taking into account the desires, experiences and expertise of individual directors. The Governance and Nominating Committee shall review and recommend committee slates annually and shall recommend additional committee members as needed;
- (vii) In appropriate circumstances, and in its discretion, consider and may recommend the removal of a director for cause, in accordance with the applicable provisions of the Company's certificate of incorporation, bylaws and Corporate Governance Policies.

- (viii) Develop and recommend to the Board an annual self-evaluation process for the Board and its committees. The Governance and Nominating Committee shall oversee the annual self-evaluations. The Governance and Nominating Committee shall evaluate the performance of each director before recommending to the Board his or her nomination for an additional term as director;
- (ix) Advise and make recommendations to the Board on corporate governance and all matters pertaining to the role of the Board and the practices and the performance of its directors, including the development of the Policies. The Governance and Nominating Committee shall periodically review and assess the adequacy of the Policies and recommend any changes to the Board;
- (x) Consider possible conflicts of interests of directors and nominees and shall make recommendations to the Board with respect to the determination of director independence; and
- (xi) Review and make recommendations to the Board concerning compensation arrangements for non-employee members of the Board.

IV. DELEGATION TO SUBCOMMITTEE

The Governance and Nominating Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Governance and Nominating Committee, to the extent consistent with the Company's amended and restated certificate of incorporation, amended and restated bylaws and applicable law and rules of markets in which the Company's securities then trade.

V. SEARCH FIRMS AND OTHER ADVISERS

If the Governance and Nominating Committee desires to utilize a search firm to assist the Governance and Nominating Committee in the identification of director candidates, then the Governance and Nominating Committee shall have the sole authority to retain and terminate such search firm, including the sole authority to approve the search firm's fees and other retention terms.

VI. MEETINGS AND PROCEDURES

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Governance and Nominating Committee and approve the agendas for Governance and Nominating Committee meetings. The Governance and Nominating Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any applicable provisions of the Company's amended and restated bylaws.

The Governance and Nominating Committee shall meet at least twice annually and as often as the Governance and Nominating Committee deems desirable. The Governance and

Nominating Committee shall meet in person or by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear all such participants. A majority of the members of the Governance and Nominating Committee shall constitute a quorum for purposes of holding a meeting and the Governance and Nominating Committee may act by a vote of a majority of members present at such meeting. When necessary or desirable, the Governance and Nominating Committee may take action by unanimous written consent. Any action of the Governance and Nominating Committee (other than actions for which the Governance and Nominating Committee has sole authority as set forth herein) shall be subject to review and modification by the Board. Written minutes will be kept of each meeting of the Governance and Nominating Committee, which minutes will be filed with the minutes of meetings of the Board and will be available to each member of the Board. The Governance and Nominating Committee shall report its recommendations and actions to the Board after each Governance and Nominating Committee meeting.

All non-management directors that are not members of the Governance and Nominating Committee may attend and observe meetings of the Governance and Nominating Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Governance and Nominating Committee, and in any event shall not be entitled to vote. The Governance and Nominating Committee may, at its discretion, invite to and include in its meetings members of the Company's management, representatives of the independent auditor, the internal auditor, legal counsel, other advisors, any other financial personnel employed or retained by the Company or any other persons whose presence the Governance and Nominating Committee believes to be necessary or advisable. Notwithstanding the foregoing, the Governance and Nominating Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any non-management director that is not a member of the Governance and Nominating Committee.

The Governance and Nominating Committee may retain any independent counsel, experts or advisors (accounting, legal, financial or otherwise) that the Governance and Nominating Committee believes to be necessary or advisable. The Governance and Nominating Committee may also utilize the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for funding, as determined by the Governance and Nominating Committee, for payment of compensation to any advisors employed by the Governance and Nominating Committee and for ordinary administrative expenses of the Governance and Nominating Committee that are necessary or appropriate in carrying out its duties.

The Governance and Nominating Committee may conduct or authorize investigations into any matters within the scope of the powers and responsibilities delegated to the Governance and Nominating Committee by the Board.

VII. PERFORMANCE EVALUATION

The Governance and Nominating Committee shall prepare and provide to the Board an annual performance evaluation of the Governance and Nominating Committee, including compliance with this charter and such other matters as the Governance and Nominating Committee may determine. The evaluation to the Board may take the form of an oral or written

report by the Governance and Nominating Committee chairperson or any other member of the Governance and Nominating Committee designated by the Governance and Nominating Committee to make the report, and shall be undertaken under the supervision of the Governance and Nominating Committee in accordance with the Policies adopted by the Board. The Governance and Nominating Committee shall review and assess the adequacy of the Governance and Nominating Committee Charter annually and propose any necessary changes for approval to the Board.