

NEW RIVER PHARMACEUTICALS INC.

Nominating and Governance Committee Charter

The primary purposes of the Nominating and Governance Committee (the “Committee”) of New River Pharmaceuticals Inc. (the “Company”) are (i) to identify individuals qualified to become Directors, (ii) to nominate qualified individuals for election to the Board of Directors at the next annual meeting of shareholders, (iii) to recommend to the Board of Directors the individual Directors to serve on the Committees of the Board of Directors, and (iv) to recommend to the Board of Directors a set of Corporate Governance Guidelines for the Company and to oversee related governance matters.

The Committee shall be composed of no fewer than three directors. The Board of Directors shall appoint the members of the Committee and shall designate the Chairman of the Committee. The composition of the Committee shall satisfy the independence requirements of The Nasdaq Stock Market (“Nasdaq”) within the time requirements established by Nasdaq, all as determined by the Board of Directors. Any member of the Committee may be replaced by the Board of Directors.

The Committee shall:

- Consider periodically the desired composition of the Board of Directors, including such factors as expertise and diversity.
- Establish any qualifications and standards for individual directors.
- Review periodically the composition of the Board of Directors, taking into account the desired composition of the Board of Directors and each of the Committees and the qualifications and standards for individual directors.
- Identify candidates for election to the Board of Directors. The Committee identifies candidates for election to the Board of Directors on its own as well as by considering recommendations from shareholders, other members of the Board, officers and employees of the Company, and other sources that the Committee deems appropriate. Shareholder recommendations for candidates for election to the Board of Directors shall be made in accordance with the Company’s Bylaws. The Committee may retain a third-party search firm to assist in the identification of possible candidates for election to the Board of Directors.
- Evaluate candidates for election to the Board of Directors. The Committee will evaluate all candidates for election to the Board of Directors, regardless of the source from which the candidate was first identified, based upon the totality of the merits of each candidate and not based upon minimum qualifications or attributes. In considering the individual nominees, the Committee will take into account the qualifications of other Board members to ensure that a broad variety of skill sets and experience beneficial to the Company and its business are represented on the

Board of Directors and will also take into account the characteristics of each individual under consideration, including that individual's competencies, experience, reputation, integrity, independence, potential for conflicts of interest and other appropriate qualities. When considering a director standing for re-election, in addition to the attributes described above, the Committee shall consider that individual's past contribution and future commitment to the Company. The Committee also will ensure that the Board is composed of a sufficient number of independent directors to satisfy the Nasdaq listing requirements. In addition, the Committee will seek to assure that at least three of the Board's independent members satisfy the Nasdaq financial and accounting experience requirements and the heightened independence standards of the Securities and Exchange Commission and that at least one of such three members qualifies as an "audit committee financial expert" (as defined by the Securities and Exchange Commission).

- Nominate qualified individuals for election to the Board of Directors.
- Make recommendations to the Board regarding the size of the Board and the tenure and classifications of Directors.
- Recommend to the Board of Directors the charters, structure, operations, composition and qualification for membership of the Committees of the Board of Directors.
- Review periodically the Company's Corporate Governance Guidelines and recommend to the Board of Directors governance issues that should be considered by the Board.
- Review periodically the Company's Codes of Business Conduct and Ethics.
- Obtain confirmation from management that the policies included in the Codes of Business Conduct and Ethics are understood and implemented.
- Evaluate periodically the adequacy of the Company's conflict of interest policies.
- Consider other corporate governance and related issues.
- Consider with management public policy issues that may affect the Company.
- Consider and report to the Board of Directors at least annually succession planning for the Chief Executive Officer. Any review of possible internal candidates should include:
 1. readiness and potential;
 2. demonstrated skills and competencies;
 3. needed experience and training to fill gaps; and

4. a plan for adequate exposure to Board of Directors.
- Review periodically the Company's Committee structure and operations and the working relationship between each Committee and the Board of Directors.
 - Consider, discuss and recommend ways to improve the effectiveness of the Board of Directors.
 - Report its activities regularly to the Board of Directors.
 - Perform such other functions as may be requested by the Board of Directors.

The Committee shall have sole authority to retain and terminate outside advisors to assist in the performance of its functions, with sole authority to agree to fees and other terms of engagement.

The Secretary of the Committee shall be the Corporate Secretary or his designee. The proceedings of all Committee meetings shall be documented in minutes. At the next regular Board meeting following any Committee meeting, the Chairman of the Committee shall report to the Board of Directors on behalf of the Committee.

The Chairman of the Committee shall discuss the Committee's performance with each Committee member, following which discussions the Chairman shall lead the Committee in an annual review of its performance. The annual evaluation shall include a review of the Committee's charter.

The Committee shall cause to be provided to Nasdaq appropriate written confirmation of any of the foregoing matters as Nasdaq may from time to time require.

This Nominating and Governance Committee Charter was duly approved and adopted by the Board of the Company on the 6th day of July, 2004.

/s/ Krish S. Krishnan
Krish S. Krishnan, Secretary