

AVANIR PHARMACEUTICALS
CORPORATE GOVERNANCE COMMITTEE CHARTER

(adopted on May 3, 2004)

I. Purpose

The purpose of the Corporate Governance Committee ("**Committee**") is to ensure that the Board of Directors ("**Board**") is appropriately constituted to meet its fiduciary obligations to the shareholders and the Company. To accomplish this purpose, the Committee develops and implements policies and processes regarding corporate governance matters, assesses Board membership needs and makes recommendations regarding potential director candidates to the Board of Directors.

II. Responsibilities

A. Board and Committee Matters.

1. Evaluate the current composition, organization and governance of the Board and its Committees, determine future requirements and make recommendations to the Board for approval.
2. Determine desired board skills and attributes and conduct searches for prospective Board members whose skills and attributes reflect those desired.
3. Conduct an annual performance evaluation of the Board, as a whole, including conducting surveys of director observations, suggestions and preferences.
4. Evaluate and make recommendations to the Board concerning (a) the appointment of directors to Board committees, (b) the selection of committee chairpersons, and (c) the Board's annual slate for the election of directors.
5. Consider shareholder nominees for election to the Board.
6. Evaluate and recommend termination of membership of individual directors in accordance with the Board's corporate governance principles for cause or for other appropriate reasons.
7. Evaluate and consider matters relating to the qualification, tenure and retirement of Directors.

B. Corporate Code of Conduct.

1. Evaluate the Company's current Code of Conduct and propose any revisions to the Board for approval.
2. Meet periodically with the Company's Compliance Officer to evaluate the adequacy and efficiency of the Company's Code of Conduct, including review of any violations of the Code of Conduct.

C. Conflicts and Other Directorships.

1. Review other directorships and consulting agreements of Board members for conflicts of interest. All members of the Board are required to report other directorships and consulting agreements to the Chairperson of the Committee.
2. Clear actual and potential conflicts of interest a Board member may have and issue to a Board member having an actual or potential conflict of interest advice on how to conduct him/herself in matters before the Board which may pertain to such a conflict.
3. Review all proposed transactions between the Company and any of its officers or directors or an entity affiliated with the Company's officers or directors.

D. Shareholders Rights.

1. Review periodically the Articles of Incorporation of the Company and recommend to the Board changes thereto in respect of good corporate governance and fostering shareholders rights.
2. Review the procedures and communication plans for shareholder meetings so that required information on the Company is adequately presented and that the meeting promotes effective communication between the Company and its shareholders.

E. General.

1. The Committee shall meet without representatives of management unless it requests the attendance of any officer or other employee at any of its meetings.
2. The Committee shall cause minutes of all of its meetings to be prepared, submitted to the Board and filed in the Minute Books of the Company.

3. The Committee shall have the authority to retain the services of one or more advisors, consultants or attorneys, which may be the Company's in-house or outside counsel, to assist the Committee in discharging its responsibilities under this Charter.

4. Take such other actions regarding the manner of governance of the Company, including the adoption of principles of corporate governance, from time to time that are in the best interests of the Company and its shareholders, as the Committee shall deem appropriate.

III. **Membership and Organization**

The Committee shall be comprised of no fewer than three members. All members of the Committee shall be independent directors.

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