

# CONNETICS CORPORATION

## CHARTER OF THE GOVERNANCE AND NOMINATING COMMITTEE OF THE BOARD OF DIRECTORS (Effective February 12, 2004)

### Purpose

---

The primary purposes of the Governance and Nominating Committee (the "Committee") of the Board of Directors (the "Board") of Connetics Corporation, a Delaware corporation ("Connetics" or the "Company") are to oversee management of the Company in its compliance with laws, regulations, and policies relating to corporate governance, and to recommend to the Board qualified candidates for nomination to the Board. The operation of the Committee shall be subject to the provisions of the Bylaws of the Company, as in effect from time to time, and to Section 141 of the Delaware General Corporation Law.

### Organization

---

The Committee shall consist of a minimum of two directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. All members of the Committee shall be independent directors, in accordance with any applicable Nasdaq or SEC rules concerning independence.

### Duties and Responsibilities

---

The operation of the Committee shall be subject to the provisions of Connetics' Bylaws, as in effect from time to time, and to Section 141 of the Delaware General Corporation Law. The Committee shall have the full power and authority to:

- review, solicit and make recommendations regarding the size and composition of the Board,
- identify individuals qualified to become Board members,
- select the director nominees for the annual meeting of stockholders,
- develop and recommend to the Board a policy regarding the consideration of director nominees by stockholders,
- develop and recommend to the Board a set of corporate governance principles applicable to Connetics,
- recommend Board committee assignments and any changes to such assignments,
- consider matters of corporate governance and to review, periodically, our corporate governance principles, and
- perform such other tasks as the Board may authorize from time to time.

---

### **Nomination/Appointment Policy**

---

The Committee believes that it is in the best interests of Connetics and its stockholders to obtain highly-qualified candidates to serve as members of the Board. The Committee will seek candidates for nomination and appointment with excellent strategic thinking and decision-making ability, business experience, relevant expertise, personal integrity and reputation. To that end, the Committee shall:

- Identify individuals qualified to become board members, receive nominations for such qualified individuals, select, or recommend that the Board select, the director nominees for the next annual meeting of shareholders, taking into account each candidate's ability, judgment and experience and the overall diversity and composition of the Board; and
- Recommend to the Board qualified individuals to serve as committee members on the various Board committees. The Committee shall review and recommend committee slates annually and shall recommend additional committee members to fill vacancies as needed.

---

### **Governance Policy**

---

The responsibilities of the Committee with respect to corporate governance shall include the following:

- Develop and recommend to the full Board a set of corporate governance principles applicable to Connetics. Such principles shall address the following subjects: (i) director qualification standards, (ii) director responsibilities, (iii) ability of directors to have direct access to management and, as necessary and appropriate, independent advisors, (iv) director compensation, (v) director orientation and continuing education, and (vi) annual performance evaluation of the board. The Committee shall review the principles on an annual basis, or more frequently if appropriate, and recommend changes as necessary;
- Review and make recommendations to the Board with respect to Connetics' practices and policies with respect to directors, including compensation for non-employee directors, the size of the Board, the ratio of employee directors to non-employee directors, the meeting frequency of the Board and the structure of Board meetings;

- Review and make recommendations to the Board with respect to the functions, duties and composition of the committees of the Board and compensation for committee members; and
- In concert with the Board, review Connetics' policies with respect to significant issues of corporate public responsibility.

---

### **Meetings**

---

Meetings of the Committee will be held at the pleasure of the Board and the members of the Committee, from time to time, in response to the needs of the Board. Notwithstanding the foregoing, the Committee will meet at least once annually to evaluate and make nominations of qualified candidates for election to the Board at the Annual Meeting of Stockholders. The Committee may act by written consent of its members.

---

### **Minutes and Reports**

---

The Committee will provide reports to the Board regarding the Committee's nominations for election to the Board. Written minutes of each Committee meeting shall be kept with the minutes of Board meetings, and distributed to each member of the Committee and the Secretary of the Company.

\*\*\*\*\*END\*\*\*\*\*