



**CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE  
OF THE BOARD OF DIRECTORS**  
*(as of November 2005)*

**1. Purpose:**

The purpose of the Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of NPS Pharmaceuticals, Inc., a Delaware corporation (the “Company”), shall be to monitor and review corporate governance issues, emerging trends and “best practices” and is specifically charged with recommending to the Board, on an on-going basis, a set of corporate governance guidelines, and to monitor a process to assess Board effectiveness. The Committee shall also provide such additional information and materials as it deems necessary in the performance of its duties.

The Committee shall have the power and authority to act independently of management and hire its own consultants who will report solely to the Committee.

**2. Composition:**

The Committee shall be comprised of three or more members of the Board, a majority of which shall satisfy the independence requirements of the Securities and Exchange Commission and the Nasdaq Stock Market. The members of the Committee and its Chairman will be appointed by and serve at the discretion of the Board.

**3. Functions and Authority:**

The Committee shall have the authority to retain outside counsel and other advisors, as the Committee may deem appropriate in the conduct of its duties and responsibilities under this Charter. The operation of the Committee shall be subject to the provisions of the Bylaws of the Company, to Section 141 of the Delaware General Corporation Law, and the rules and regulations promulgated by the SEC and the Nasdaq Stock Market, as in effect from time to time. The Committee shall have the full power and authority to carry out the following responsibilities:

- 3.1 To develop and recommend to the Board, and periodically review and recommend updates, to a set of corporate governance guidelines to be applicable to the Company.
- 3.2 To evaluate the effectiveness of the Board (as a whole) and of this Committee (as a whole) and report the results of such evaluation to the Board.
- 3.3 To develop and recommend to the Board a succession plan for management including succession in the event of an emergency or crisis, for the CEO and other officers and key employees, and to review such plan at least annually.
- 3.4 To periodically review and reassess Company policies.
- 3.5 To review all Committee Charters at least annually to ensure they reflect the commitment to effective corporate governance.

- 3.6 To review and recommend new director orientation and continuing education programs for directors of the Company that supports the Company's objective to promote the competence and integrity of the Board and its members.
- 3.7 To perform such other functions and have such powers as may be necessary or convenient in the efficient and lawful discharge of the foregoing.

**4. Meetings:**

The Committee shall hold at least two regular meeting per year and additional meetings as the Chairman or Committee deem appropriate. Attendance by officers of the Company at meetings of the Committee shall be permitted in the discretion of the Committee Chairman. The Committee shall regularly have "executive sessions" without members of management present.

**5. Minutes and Reports:**

The Chairman of the Committee shall arrange with the Corporate Secretary's office and Corporate Counsel for the completion of an official set of minutes of each Committee meeting. The official minutes shall be approved by the Committee members, signed by the Chairman, and shall be given to the Corporate Secretary for filing with the Corporate Records. The Chairman shall report to the Board from time to time and as so requested by the Board.