

Neurocrine Biosciences, Inc.

Nominating / Corporate Governance Committee Charter

*The following
Charter was adopted by the
Board of Directors of Neurocrine Biosciences, Inc.
on March 2, 2004*

I. Purpose.

The purpose of the Nominating / Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Neurocrine Biosciences, Inc. (the “Company”) is to provide assistance to the Board in fulfilling their responsibility for Board nominations, composition and responsibilities in accordance with the Company’s Corporate Governance Guidelines attached as Exhibit A.

II. Structure.

A. Membership

The Committee consists of not less than three independent directors. An independent director is a director each of whom shall (1) qualify as independent under the NASDAQ listing requirements, (2) be a “non-employee director” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended, and (3) be an “outside director” under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended.

The members of the Committee shall be appointed by the Board. Unless a Chairman of the Committee is designated by the Board, the Committee may designate a Chairman by a majority vote of the full Committee membership.

B. Rules of Procedure

The Committee may determine its own rules of procedure with respect to the call, place, time and frequency of its meetings. In the absence of such rules, the Committee will meet at the call of its Chairman as appropriate to accomplish the purposes of the Committee, but it is anticipated that the Committee will meet at least twice each calendar year. Notice of meetings of the Committee shall be given as provided in the Bylaws of the Company.

C. Committee Secretary

The Secretary of the Company will act as Secretary of the Committee and will attend all meetings; keep minutes of the Committee's proceedings; advise members of all meetings called; arrange with the Chairman of the Committee or other convening authority for preparation and distribution of the agenda and

supporting material for each meeting; at the direction of the Chairman of the Committee, make the necessary logistical arrangements for each meeting; and carry out other functions as may be assigned from time to time by the Committee. In the event that the Chairman of the Committee believes that it is inappropriate for the Secretary of the Company to attend any meeting(s) or portion(s) thereof, the Chairman shall appoint a member of the Committee to act as Secretary for such meeting(s) or portion(s) thereof.

D. Quorum

A majority of the members of the Committee will constitute a quorum for the transaction of business. The Chairman of the Committee is designated by the Board, which may also appoint one or more Directors (each of whom meets the independence requirements to serve as a member of the Committee) as alternate members of the Committee to replace any absent member at any meeting of the Committee.

E. Minutes and Reports.

The Committee shall maintain written minutes or other records of its meetings and activities. Minutes of each meeting of the Committee shall be distributed to each member of the Committee and other members of the Board. The Secretary of the Company shall retain the original signed minutes for filing with the corporate records of the Company.

The Chairperson shall report to the Board following meetings of the Committee and as otherwise requested by the Chairman of the Board.

III. Matters Relating to the Board of Directors.

- A. In consultation with Company senior management, the Committee will review the qualifications of candidates for the Board of Directors from whatever sources received.
- B. The Committee, in consultation with Company senior management, may develop guidelines for the composition of the Board. It may include in those guidelines recommendations concerning:
 - 1. Ideal size;
 - 2. The mix of inside/outside directors;
 - 3. Appropriate consideration of diversity;
 - 4. Avoidance of potential conflicts of interest;

5. The scope of geographic representation; and
 6. The priority to be given to candidate positions, i.e., CEO or equivalent, etc.
- C. The Committee annually will review with the Board of Directors the skills and characteristics required of the members in the context of the then current membership of the Board.
 - D. When vacancies on the Board occur between Annual Meetings of Stockholders, the Committee will consult with Company senior management and consider the size of the Board to determine if a replacement is then appropriate and make a recommendation to the Board.
 - E. The Committee may develop and maintain a pool of qualified candidates for the Board, especially for unplanned vacancies. Nominations will be sought from the entire Board. The Committee may, at Company expense, select and retain a consultant or search firm to identify director candidates and to approve the consultant or search firm's fees.
 - F. The Committee annually will review and assess the Board of Directors' performance and review its findings with the Board.
 - G. The Committee annually will submit the slate of director candidates to be proposed for election by the stockholders at the Annual Meeting of Stockholders to the Board for approval.
 - H. The Committee annually will consult each incumbent director whose term expires at the next Annual Meeting of Stockholders to determine if the director desires to seek reelection and determine if incumbents are to be nominated for reelection.
 - I. From time to time as deemed appropriate, the Committee will review the Company's Corporate Governance Guidelines and may from time to time recommend amendments thereto to the Board.

IV. Succession Planning.

In consultation with the Company's Chief Executive Officer, the Committee will review succession planning relating to the Company's Chief Executive Officer as well as other key members of Company senior management. The Committee will require the Chief Executive Officer to prepare and update regularly his or her recommendation of the individuals to succeed him or her as well as other members of senior management.

V. Committees.

On an annual basis the Committee will review the compliance of each committee of the Board with the Company's committee structure, size and composition rules including whether the committee has held the required number of meetings and provided reports to the Board. The Committee will recommend changes to the composition of the committees as appropriate. In addition, on an annual basis the Committee will review the performance of all of the committees.

VI. Stockholder Matters.

The Committee will periodically review the Company's certificate of Incorporation and By-Laws and make recommendations to the Board with the objective of promoting good corporate governance. The Committee will also review the procedures and communication plans for stockholder meetings to ensure that the rights of stockholders are protected and that required information concerning the Company is adequately presented.

VII. Responsibilities of the Committee.

The Committee, through its Chairman, will present the Committee's recommendations to the Board of Directors for its consideration and periodically review with the Board the Committee's activities and determinations.

VIII. Resolutions and Written Consents.

All proposed resolutions will be prepared by the legal department and discussed and voted upon at the meetings or adopted by unanimous written consent.

IX. Additional Authority.

The Committee shall have the authority, at its discretion, to call upon the Chairman of the Board to provide internal assistance from officers and other employees of the Company and its subsidiaries as may be appropriate to fulfill its duties and responsibilities.

X. Evaluation of Performance of Committee.

The Committee shall evaluate its own performance on an annual basis, including its compliance with this charter, and provide any written material with respect to such evaluation to the Board, including any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

The Committee shall review and reassess the Committee's charter at least annually and submit any recommended changes to the Board for its consideration.

XI. Disclosure of Charter.

This Charter will be made available to any stockholder who requests a copy. The Company's Annual Report to Stockholders shall state the foregoing.

Exhibit A
Neurocrine Biosciences, Inc.
Corporate Governance Guidelines

I. Purpose.

The purpose of these guidelines is to provide assistance to the Board of Directors (the “Board”) of Neurocrine Biosciences, Inc. (the “Company”) in managing Board composition, representation, function and performance.

II. Board Membership and Leadership.

A. Chairman of the Board and Chief Executive Officer.

The Company’s Board of Directors has a flexible policy with respect to the combination or separation of the offices of Chairman of the Board and Chief Executive Officer.

Currently, the Chairman of the Board is not also the Chief Executive Officer but the Board of Directors recognizes that future circumstances could lead it to combine these offices. The Board believes separation or combination of the offices should be considered as part of succession planning.

When Directors meet without the presence of the Chairman of the Board, the Directors should select the Chair of the meeting.

B. Number of Directors.

The Board shall consist of seven Directors. The size of the Board should reflect the requirements of the Board’s committees and the availability of qualified individuals and accordingly the size of the Board may be changed as necessary in accordance with the provisions of the Company’s bylaws.

C. Mix of Independent and Non-Independent Directors.

The Board of Directors will be comprised of a majority of independent Directors. The Board believes that, generally, there should be no more than one officer Director on the Board, who should be the Chief Executive Officer.

An independent Director is a Director who meets the independence requirements of The NASDAQ Stock Market. Compliance with the definition of independent Director should be reviewed annually by the Nominating / Corporate Governance Committee.

D. Former Officers.

Board membership by former Company officers is a matter to be decided by the Board in each individual instance. When an officer who is also a Director resigns as an officer of Neurocrine Biosciences, he or she should resign from the Board unless otherwise requested by the Board.

III. Selection of Directors.

The Nominating / Corporate Governance Committee annually should review with the Board of Directors the appropriate skills and characteristics required of Board members in the context of the then current membership of the Board.

The Nominating / Corporate Governance Committee will be responsible for nominating all Directors for election either by stockholders at an annual or special meeting or by the Board in the case of Directors who are elected to fill vacancies in accordance with the Company's bylaws. The Nominating / Corporate Governance Committee, in consultation with the Chairman of the Board, should review Director nominations and may engage consultants to assist it in identifying and screening potential candidates.

An invitation to join the Board of Directors should be extended by the Nominating / Corporate Governance Committee through the Chair of the Nominating / Corporate Governance Committee and the Chairman of the Board. Every new Director should receive an orientation and education program to acquaint the Director with the history, operation and management of the Company and the business conditions and regulatory regime to which it is subject.

IV. Changes in Responsibilities.

Directors whose employment responsibilities substantially change from those held when they were elected to the Board are expected to offer to resign from the Board. Directors should also advise the Chairman of the Board and Chair of the Nominating / Corporate Governance Committee prior to accepting membership on other boards of Directors. Other changes that should suggest reconsideration of Board service include conflicts of interest or changes in the level of other commitments.

The Board of Directors does not believe that Directors who retire or otherwise change employment should necessarily leave the Board. However, there should be an opportunity for the Board, through the Nominating / Corporate Governance Committee, to review the continued appropriateness of Board membership under changed circumstances.

V. Term Limits and Retirement.

Directors should not stand for reelection after having attained age 70.

VI. Board Committee Structure and Function.

A. Committees.

The Board of Directors currently maintains Audit, Compensation, and Nominating / Corporate Governance Committees operating under charters approved by the Board. This committee structure seems appropriate although, from time to time, the Board may find it desirable to form new committees or combine or disband existing committees, consistent with legal and other obligations.

Only independent Directors should serve on the Audit, Compensation and Nominating / Corporate Governance Committees.

B. Assignment and Rotation of Committee Members.

The Board of Directors shall elect the members of committees of the Board, taking into account the desires and expertise of individual Directors and the suggestions of the Chairman of the Board. Directors may indicate their committee preferences from time to time to the Chairman of the Board.

The Board of Directors believes that members of committees of the Board should be periodically rotated. The Board believes, however, that such rotation should not be mandatory since, from time to time, there may be compelling reasons to lengthen or shorten an individual Director's committee membership.

C. Committee Meetings.

The chair of each committee of the Board, in consultation with the committee's members, should determine the frequency and length of the meetings of the committee.

The chair of each committee of the Board in consultation with the Company senior management should develop the committee's agenda. Each member of a committee is free to suggest the inclusion of items on the agenda and to raise at any meeting subjects that are not on the agenda. At the beginning of each year, each committee should review with the Board of Directors a schedule of agenda subjects to be discussed by the committee during the ensuing year.

VII. Board Meetings.

A. Selection of Agenda Items.

The Chairman of the Board together with the Company's Chief Executive Officer should establish the agenda for each meeting of the Board of Directors. Each Director generally is free to suggest the inclusion of items on the agenda and to raise at any meeting subjects that are not on the agenda.

B. Advance Distribution of Board Materials.

Information and data that are important to the understanding of the business to be conducted at a meeting of the Board of Directors should be distributed in writing to the Board in advance of the meeting. These materials should highlight significant developments not previously presented and be as brief as consistent with providing the appropriate information.

C. Regular Attendance of Non-Directors.

The Chief Financial Officer and General Counsel should regularly attend meetings of the Board of Directors. Such additional officers as are appropriate for informed discussion and response to agenda items should also attend.

D. Executive Sessions of Independent Directors.

At least two times during the year, executive sessions of the independent members of the Board of Directors will be held to review matters concerning the relationship of the Board with the non-independent Directors and other members of the corporation's management and such other matters as the participating Directors may deem appropriate.

VIII. Other Board Communications and Activities.

A. Strategic and Financial Planning.

At least once each year the Board of Directors should review management's long term strategic and financial plan and management's expectations regarding the strategic and financial issues that the Company may face in the foreseeable future.

B. Board Access to Senior Management, Independent Auditors and Counsel.

Members of the Board of Directors shall have complete access to the Company's senior management and independent auditors, and direct access to

other employees, which should normally be coordinated with senior management. The Board also shall have complete access to counsel of its choice with respect to any issue relating to the discharge of the duties of Directors.

It is assumed that members of the Board of Directors will use judgment to be sure that contacts with management are not distracting to the Company's business operations of and will advise the Chairman of the Board of any substantive contacts. Furthermore, the Board encourages management to invite to Board meetings members of management who can provide additional insight into the items to be discussed or who senior management believes to have sufficient executive potential that they should be given exposure to the Board.

C. Board Compensation Review.

The Compensation Committee of the Board of Directors annually shall review with the Board the compensation of Directors in other comparable companies. Changes in Director compensation, if any also shall be reviewed and presented by the Compensation Committee, but subject to discussion with and the concurrence of the Board.

D. Assessment of Board Performance.

The Nominating / Corporate Governance Committee of the Board of Directors annually shall review and assess (assisted by outside consultants if the Committee so desires) the Board's performance. The assessment also should be of the Board's contribution as a whole and specifically review areas in which the Board or management believes a better contribution could be made. The purpose of the review is to increase the effectiveness of the Board and it shall be reviewed with the Board. On an annual basis the Nominating / Corporate Governance Committee will conduct a written survey to evaluate Board performance.

E. Evaluation of the Chief Executive Officer and Employee Directors.

The independent members of the Board of Directors annually shall formally evaluate the Chief Executive Officer. The Chief Executive Officer annually shall formally evaluate all Officer Vice Presidents.

These evaluations shall be considered by the Compensation Committee in its deliberations with respect to the compensation of these officers. The evaluation should be based principally upon objective criteria including business performance, accomplishment of strategic objectives, development of management and other matters relevant to the Company's short term and long term success and the creation of stockholder value.

F. Board Interaction with Institutional Investors, Customers, Media and Others.

The CEO and the Company's Investor Relations Department speak for the Company. Nevertheless, individual Directors may, from time to time, be called upon to meet or otherwise communicate with the Company's various constituencies. It is expected that, absent unusual circumstances, Directors would do so only at the request of management and will advise the Chairman of the Board of any substantive communications.

IX. Administration

A. Review and Amendments.

The Nominating / Corporate Governance Committee of the Board of Directors should assume general responsibility for developing the Company's approach to corporate governance issues and periodically review compliance with these guidelines. It also shall annually review these guidelines and, subject to the approval of the Board, may amend them from time to time. On matters of corporate governance, independent Directors should make all decisions.

B. Availability to Shareholders.

The Corporate Governance Guidelines shall be made available on the Company's website and to any stockholder who otherwise requests a copy. The Company's Annual Report to Stockholders will state the foregoing.