

SALIX PHARMACEUTICALS, LTD.
NOMINATING/CORPORATE GOVERNANCE COMMITTEE CHARTER

I. PURPOSE

The Nominating/Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Salix Pharmaceuticals, Ltd. (the “Company”) shall provide assistance to the Board of Directors by:

- a. Identifying, evaluating and recommending individuals qualified to become members of the Board of Directors.
- b. Overseeing the process by which stockholders may nominate directors at an Annual Meeting of Stockholders.
- c. Developing, periodically reviewing, and recommending to the Board appropriate corporate governance principles applicable to the Company.
- d. Overseeing, on an annual basis, the Board’s and committees’ self-assessments and performance evaluations.
- e. Administering the Company’s Code of Business Conduct.
- f. Performing such other functions as may be assigned to the Committee by the Board of Directors.

II. STRUCTURE AND OPERATIONS

- A. Composition and Qualifications – The Committee shall be comprised of three (3) or more members of the Board, all of whom must be “independent” as that term is defined by the Rules of the NASDAQ Global Market or any other stock exchange or association on which the Company’s shares are traded.
- B. Appointment and Removal - The members of the Committee shall be appointed by the Board and shall serve until each such member’s successor is duly elected and qualified or until each such member’s earlier resignation or removal. A member of the Committee may be removed, with or without cause, by a majority vote by the Board.
- C. Chair of the Committee – Unless a Chair is elected by the full Board, the members of the Committee shall designate a Chair by majority vote of the full Committee membership. The Chair will chair all regular sessions of the Committee and set the agendas for Committee meetings in consultation with Company management and the other members of the Committee.

- D. Delegation to Subcommittees – In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

III. MEETINGS

The Committee shall meet at least two (2) times annually, or more frequently as circumstances dictate. The Chair of the Committee or any two (2) members of the Committee may call meetings of the Committee. Meetings of the Committee may be held either in-person or telephonically.

The Committee may invite to its meetings any director not on the Committee, management representative of the Company, and such other persons it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate in order to fulfill its duties.

A quorum is established so that a meeting can convene once a majority of the Committee members are present. The Committee may also act by unanimous written consent.

IV. RESPONSIBILITIES AND DUTIES

The following functions shall be common recurring activities of the Committee in carrying out its responsibilities as outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee as outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter under its authority, as outlined in Sections I and IV of this Charter, that the Committee deems appropriate and shall have the authority to retain outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel and any other terms of retention.

A. Board Selection, Composition and Evaluation

1. Periodically revisit the established criteria for the selection of new directors to serve on the Board. These criteria include industry knowledge, senior management experience, relevant skill sets, diversity, business acumen, strength of character and mature judgment.
2. Monitor procedures to enable stockholders of the Company to nominate candidates to the Board as covered in Section 2.14 of the Company's Bylaws.

3. Identify individuals qualified to become Board members, with input from other Board members and management. Further, the Committee shall have the sole authority to retain and terminate any person or entity to assist it in this process, including authority to approve the fees payable to such person or entity and any other terms of retention. In selecting candidates, the Committee shall comply with the Bylaws of the Company with respect to those persons eligible to serve as directors of the Company.
4. Oversee the annual self-assessment of Board performance as well as that of its committees.
5. Review and recommend, on an annual basis, whether members of the Board should stand for re-election in accordance with the committee process for annual election of directors.
6. Annually, determine the appropriateness of the Chair of the Board continuing in the position for an additional year in accordance with the committee annual process for the selection of the chair of the board. This determination should be made in the same timeframe when all directors are considered for re-election.
7. Consider, as needed, questions of independence and possible conflicts of interest of members of the Board.
8. Consistent with the Bylaws of the Company, review and make recommendations regarding the composition and size of the Board in order to ensure that the Board has the requisite expertise and that its membership consists of persons with sufficiently diverse and independent backgrounds.

B. Committee Selection, Composition and Evaluation

1. Recommend, after consultation with Committee members, members of the Board to serve on the committees of the Board, giving consideration to the criteria for service on each committee as set forth in the charter for each committee, as well as to any other factors the Committee deems relevant, and, where appropriate, make recommendations regarding the removal of any member of any committee.
2. Recommend, after consultation with Committee members, members of the Board to serve as the Chair of the committees of the Board. Chairs should exemplify the skills and expertise called for in serving a particular committee. In addition, the Committee shall make recommendations on the periodic rotation of the Chair and members of the committees of the Board.
3. Establish, monitor and recommend the purpose, structure and operations of the various committees of the Board, the qualifications and criteria for

membership on each committee of the Board and, as circumstances dictate, make any recommendations regarding periodic rotation of directors among the committees, as well as the Chairs of the committees.

C. Corporate Governance

1. Annually review and oversee the process for stockholders to communicate with the Board.
2. Annually, consider the adequacy of the certificate of incorporation, bylaws and other relevant documents of the Company with respect to corporate governance and recommend to the Board amendments or provisions that enhance the Company's corporate governance.
3. Recommend to the Board, where appropriate and timely, key corporate governance principles in order to keep Board members current on "best practices".
4. Consider and recommend to the Chair of the Board policies relating to meetings of the Board. This matter may include meeting schedules, and locations, meeting agendas and procedures for delivery of materials in advance of meetings.
5. Monitor director compliance with the Company's policy regarding attendance at Board and committee meetings as well as the Annual Meeting of Stockholders.
6. Ensure that the independent directors meet in executive session, without management participation, at least twice annually. Further, time should be made available at each regularly scheduled Board meeting to provide an opportunity for the independent directors to meet in executive session. Generally, the Chair of the Board, in consultation with the other independent directors, will determine the need for such sessions.
7. Administer the Company's Code of Business Conduct as provided in that Code. The Committee Chair will confer, on a periodic basis, with the Company's General Counsel, the individual responsible for Corporate Compliance or any other Company employee in charge of such matters. Outside counsel should also be consulted, when appropriate.

D. Reports

1. Report regularly to the Board (i) following each meeting of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities, and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such report.
2. Maintain minutes or other records of meetings and activities of the Committee.

V. ANNUAL PERFORMANCE EVALUATION

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall periodically review and assess the adequacy of this Charter and recommend to the Board any improvements to the Charter that the Committee considers necessary. The Committee shall conduct these evaluations and reviews in such a manner as it deems appropriate.

Adopted: April 15, 2004

Amended and Restated: December 9, 2009