

TARGACEPT, INC.

GOVERNANCE AND NOMINATING COMMITTEE CHARTER

I. Committee Purpose

The primary purposes of the Governance and Nominating Committee are to: (i) identify individuals qualified to become directors and committee members; (ii) recommend director nominees to the Board of Directors; (iii) develop and recommend approval of policies and guidelines relating to and generally oversee matters of corporate governance; and (iv) lead the Board in an annual review of the Board and its committees.

II. Committee Composition and Procedure

The Governance and Nominating Committee will consist of at least three members. Each member will qualify as an independent director under applicable NASDAQ rules, subject to any permitted exception under such rules.

The Board will appoint the members of the Governance and Nominating Committee, and each member will serve until his or her successor is appointed or until his or her earlier death, retirement, resignation or removal. The Board will designate the chairman of the Governance and Nominating Committee or, if it does not do so, the members of the Governance and Nominating Committee will elect a chairman by majority vote. The rules and procedures of the Governance and Nominating Committee will be governed by this Charter, any guidelines adopted by the Board from time to time, the Company's bylaws and applicable law.

The Governance and Nominating Committee will meet at least twice annually and such other times as it considers necessary or appropriate to carry out its responsibilities. Any of the chairman of the Governance and Nominating Committee, the chairman of the Board or the Company's chief executive officer may call meetings of the Governance and Nominating Committee.

The Governance and Nominating Committee will record and maintain minutes of its meetings. The chairman of the Governance and Nominating Committee or a Governance and Nominating Committee member designated by the chairman will make a report to the Board of the Governance and Nominating Committee's meetings, actions taken at meetings or by consent and recommendations made since the most recent Board meeting, in each case except to the extent such matter or matters have been addressed in an interim report circulated by the Governance and Nominating Committee.

III. Committee Authority and Responsibilities

A. *Nominating.* The Governance and Nominating Committee will:

1. evaluate periodically and, when appropriate, make recommendations to the Board concerning the criteria for Board membership, the size and composition of the Board and its committees and the chairmanship of the Board and its committees;
2. receive suggestions concerning, and evaluate, potential candidates for election to the Board, including self-nominations and nominations from stockholders and other third parties;
3. seek, screen and interview individuals qualified to become Board members for recommendation to the Board as nominees;

4. recommend to the Board individuals to fill any vacancy that may occur from time to time on the Board;
5. recommend to the Board the slate of nominees to be proposed for election at each annual meeting of stockholders; and
6. have the authority to retain on behalf of the Company, to approve the compensation and other terms of such retention and to terminate any search firm to be used to identify director candidates.

B. *Corporate Governance.* The Governance and Nominating Committee will:

1. monitor and make recommendations to the Board regarding corporate governance matters;
2. review and make recommendations to the Board regarding stockholder proposals regarding corporate governance matters;
3. generally advise the Board on corporate governance matters and review, at least annually, the Company's Corporate Governance Guidelines; and
4. solicit input from all directors and conduct an annual review of the effectiveness of the Board and its committees and present to the Board its evaluation of the performance of the Board and its committees.

C. *Other.* The Governance and Nominating Committee will:

1. have the authority to form subcommittees of itself and delegate authority to such subcommittees in its sole discretion;
2. have the authority to request reports from internal or external sources on matters related to its authority, its duties as described in this Charter and on any subject that it considers related to its responsibilities;
3. have the authority to retain outside accountants, legal counsel and other advisors as it considers appropriate to assist and advise it in connection with its responsibilities and to approve related fees and engagement terms and will keep the Company's chief financial officer advised as to the general range of anticipated expenses;
4. review and reassess at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval; and
5. periodically evaluate and make recommendations to the Board concerning the compensation of directors.

Adopted: June 16, 2004
Last Modified: October 1, 2008