

## DISCLOSURE COMMITTEE CHARTER NILE THERAPEUTICS, INC.

This Disclosure Committee Charter (the “*Charter*”) has been adopted by the Disclosure Committee (the “*Committee*”) of Nile Therapeutics, Inc. (the “*Company*”) and approved by the Company’s Board of Directors. The Committee shall review and reassess this Charter periodically and recommend any proposed changes for approval by the Company’s Board of Directors.

### I. PURPOSE

It is the Company’s policy that all disclosures made by the Company to its security holders or the investment community should be accurate and complete and fairly present the Company’s financial condition and results of operations in all material respects, and should be made on a timely basis as required by applicable laws and stock exchange requirements.

The Committee shall assist the Chief Executive Officer and Chief Financial Officer (the “*Senior Officers*”) in fulfilling their responsibility for oversight of the accuracy and timeliness of the disclosures made by the Company by being responsible for the following tasks, in each case subject to the supervision and oversight of the Senior Officers:

- Design and establish controls and other procedures (which may include procedures currently used by the Company) that are designed to ensure that (1) information required by the Company to be disclosed to the Securities and Exchange Commission (“*SEC*”) and other written information that the Company will disclose to the investment community is recorded, processed, summarized and reported accurately and on a timely basis and (2) information is accumulated and communicated to management, including the Senior Officers, as appropriate to allow timely decisions regarding such required disclosure (“*Disclosure Controls*”).
- Monitor the integrity and effectiveness of the Company’s Disclosure Controls.
- Review and supervise the preparation of the Company’s (i) periodic and current reports, proxy statements, registration statements and any other information filed with the SEC, (ii) press releases containing financial information, earnings guidance, information about collaborations, information about clinical trials, regulatory matters, product developments, material acquisitions or dispositions or other information material to the Company’s security holders, and (iii) presentations to analysts and the investment community (collectively, the “*Disclosure Statements*”).
- Evaluate the effectiveness of the Company’s Disclosure Controls as of the end of the period covered by the Company’s Annual Report on Form 10-K/10-

KSB and each Quarterly Report on Form 10-Q/10-QSB (collectively, the “*Periodic Reports*”), as applicable.

- Discuss all relevant information with respect to the Committee’s proceedings, the preparation of the Disclosure Statements and the Committee’s evaluation of the effectiveness of the Company’s Disclosure Controls.
- The Committee and/or certain of its members shall provide certifications as may be requested by the Senior Officers in connection with the filing of the Company’s Periodic Reports with the SEC.

The Committee shall base the design and implementation of the Disclosure Controls on the following:

- Control Environment, including the integrity, ethical values and competence of the Company’s officers and employees, management’s philosophy and operating style; the manner in which management assigns authority and responsibility and organizes and develops the Company’s employees; and the attention and direction provided by the Company’s Audit Committee and its Board of Directors.
- Risk Assessment, including the identification and analysis of relevant risks to achievement of accurate and timely disclosure, forming a basis for determining how the risks should be managed.
- Control Activities, which ensure that necessary actions are taken to address risks to achievement of the objectives.
- Information and Communication, including steps that ensure information is delivered and communication provided down, across and up the organization.
- Monitoring to assess the quality of the system over time through ongoing monitoring and separate evaluations, including through regular management supervision, with report of deficiencies upstream.

In discharging its duties, the Committee shall have full access to all Company books, records, facilities, and personnel, including the internal auditors.

## **II. ORGANIZATION**

The membership of the Committee shall initially consist of the following:

- Chief Executive Officer;
- Chief Financial Officer; and
- General Counsel (or if no General Counsel, the Company’s general outside counsel for corporate and securities matters).

Such members may be replaced, or new members added, at any time and from time to time by the Company's Board of Directors. Notwithstanding the foregoing, the Senior Officers at their option may at any time assume any or all of the responsibilities of the Disclosure Committee identified in this Charter, including, for example, approving Disclosure Statements when time does not permit the full Committee to meet.

The Committee shall meet as frequently as circumstances dictate to (i) ensure the accuracy and completeness of the Disclosure Statements and (ii) evaluate the Disclosure Controls and determine whether any changes to the Disclosure Controls are necessary or advisable in connection with the preparation of the Company's upcoming Periodic Reports or other Disclosure Statements, taking into account developments since the most recent meeting, including changes in the Company's organization and business lines and any change in economic or industry conditions.

### **III. OTHER RESPONSIBILITIES**

The Committee and the Senior Officers shall also ensure that any Company disclosure concerning the Company's compensation practices, is presented to the Company's Compensation Committee in advance to review and approve, including:

(i) any disclosure concerning retirement, resignation or termination of employment for any "named executive officer" (as defined in Rule 401 of the Securities Act of 1933, as amended) as well as any Senior Officer;

(ii) any disclosure concerning the entering into or material amendment of any material plan, contract, or arrangement with any Senior Officer, or the entry into of any such plan, contract or arrangement with a person who shall be a Senior Officer;

(iii) any disclosure concerning the entering into or material amendment of any material plan, contract, or arrangement made in connection with the election of a new director of the Company; and

(iv) any disclosure concerning the entering into, adopting or materially amending a material compensatory plan, contract or arrangement in which an Senior Officer or other "named executive officer" is a party or has received a material grant or award under such plan, contract or arrangement.

The Committee shall also have such other responsibilities as the Company's Board of Directors may assign to it from time to time.