CHARTER OF THE NOMINATING AND GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS OF PDL BIOPHARMA, INC. AS AMENDED ON JANUARY 23, 2013

I. STATEMENT OF POLICY

This Charter specifies the scope of the responsibilities of the Nominating and Governance Committee (the "Committee") of the Board of Directors (the "Board") of PDL BioPharma, Inc. (the "Company") and the manner in which those responsibilities shall be performed, including its structure, processes and membership requirements.

The primary responsibilities of the Committee are to (i) identify individuals qualified to become Board members; (ii) select, or recommend to the Board, director nominees for each election of directors; (iii) develop and recommend to the Board criteria for selecting qualified director candidates; (iv) consider committee member qualifications, appointment and removal; (v) evaluate the Board's and each committee's performance; (vi) recommend to the Board corporate governance principles, codes of conduct and compliance mechanisms applicable to the Company, and (vii) provide oversight with respect to corporate governance and ethical conduct.

II. ORGANIZATION AND MEMBERSHIP REQUIREMENTS

The Committee shall be comprised of two or more directors, each of whom shall satisfy the independence requirements established by NASDAQ rules**.**

The members of the Committee shall be appointed by the Board and shall serve until their successors are duly elected and qualified or their earlier resignation or removal. Any member of the Committee may be removed or replaced by the Board. Unless a chairman is elected by the full Board, the members of the Committee may designate a chairman by majority vote of the full Committee membership. The Committee may, from time to time, delegate duties or responsibilities to subcommittees or to one member of the Committee.

A majority of the members shall represent a quorum of the Committee, and, if a quorum is present, any action approved by at least a majority of the members present shall represent the valid action of the Committee.

The Committee shall have the authority to obtain advice or assistance from consultants, legal counsel, accounting or other advisors as appropriate to perform its duties hereunder, and to determine the terms, costs and fees for such engagements. Without limitation, the Committee shall have the authority to retain or terminate any search consultant firm used to identify director candidates and to determine and approve the terms, costs and fees for such engagements. The fees and costs of any consultant or advisor retained by the Committee to assist the Committee in performing its duties hereunder shall be borne by the Company.

III. MEETINGS

The Committee shall meet as often as it deems necessary to fulfill its responsibilities hereunder, and may meet with management or individual directors at any time it deems appropriate to discuss any matters before the Committee.

The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

IV. COMMITTEE AUTHORITY AND RESPONSIBILITY

To fulfill its responsibilities and duties hereunder, the Committee shall:

A. *Nominating Functions*

1. Select, and recommend to the Board for approval, director nominees for each election of directors, except that if the Company is at any time legally required by contract or otherwise to provide any third party with the ability to nominate a director, the Committee need not propose such nomination, unless required by contract or requested by the Board.

2. Select substitute director nominees should any director nominee become unavailable for election as a result of an unexpected occurrence.

3. Determine, and periodically review, criteria for selecting new directors, including desired board skills, qualifications, attributes and diversity, and identify and actively seek individuals qualified to become directors.

4. Assess the contributions and independence of incumbent directors in determining whether to recommend them for reelection to the Board.

5. Annually consider and articulate the qualities, experiences, skills and attributes that qualify each director to be a member of the Board in light of the Company's business and structure.

6. Annually assess the Committee's effectiveness in diversifying the Board.

7. Establish a procedure for the consideration of Board candidates recommended for the Committee's consideration by the Company's stockholders. Consider any nominations of director candidates validly made by stockholders.

8. Review and make recommendations to the Board concerning qualifications, appointment and removal of committee members.

9. Review and make recommendations to the Board concerning director retirement policies.

B. *Corporate Governance Functions*

1. Develop, recommend for Board approval, and review on an ongoing basis the adequacy of the corporate governance principles applicable to the Company.

2. Consider, and present to the Board for adoption, a Code of Business Conduct applicable to all employees and directors and required by NASDAQ rules, and adopt procedures for monitoring and enforcing compliance with such Code of Business Conduct.

3. Review, at least annually, the Company's compliance with the NASDAQ corporate governance listing requirements, and report to the Board regarding the same.

4. Assist the Board in developing criteria for the evaluation of Board and committee performance.

5. Assist the Board in its evaluation of the performance of the Board and each committee of the Board.

6. Annually evaluate and consider the effectiveness of the Board's management structure and articulate why the Board's current or proposed leadership structure is effective.

7. Make regular reports to the Board regarding the foregoing.

8. Oversee director orientation and continuing education.

9. Review and approve seats on other corporate boards that are offered to directors and senior officers of the Company.

10. Review and assess the channels through which the board receives information, and the quality and timeliness of information received.

11. Annually evaluate the Company's stock ownership guidelines.

12. Review and reassess the adequacy of this Charter, as appropriate, and recommend any proposed changes to the Board for approval.

13. Perform any other activities consistent with this Charter, the Company's Amended and Restated Bylaws and governing law, as the Committee or the Board deems necessary or appropriate.