

## CEPHALON, INC.

### CHARTER OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

#### I. Purpose

The purpose of the Corporate Governance and Nominating Committee (the “Committee”) is to:

- identify individuals qualified to become members of the Board of Directors of the Company (the “Board”);
- recommend to the Board for selection as director nominees individuals qualified to become Board members;
- develop and recommend to the Board a set of effective corporate governance principles and policies applicable to the Company; and
- oversee the review and evaluation of the Board.

#### II. Structure and Membership

1. Number. The Committee shall consist of such number of directors as the Board shall from time to time determine, but in no event less than three.
2. Independence. The Committee shall consist of such number of “independent” members as required by the applicable rules of the NASDAQ, but in no event shall the Committee consist of less than a majority of “independent” members. The term “independent” shall be as defined in the NASDAQ rules and regulations.
3. Chair. Unless the Board elects a Chair of the Committee, the Committee shall elect a Chair by majority vote.
4. Compensation. The compensation of the Committee members shall be as determined by the Board.
5. Selection, Removal and Term. Members of the Committee shall be appointed by the Board, upon the recommendation of the Committee, at the annual organizational meeting of the Board. The Board may remove members of the Committee from such Committee, with or without cause. Members shall serve until their successors are duly elected and qualified or until their earlier death, resignation or removal.
6. Subcommittees. The Committee may form and delegate authority to one or more subcommittees when appropriate.

7. Report to the Board. The Committee shall promptly inform the Board of the actions taken or issues discussed at its meetings. This will generally take place at the first Board meeting following a Committee meeting.

### **III. Meetings**

1. Frequency and Notice. The Committee shall meet at least two (2) times annually, or more frequently as circumstances dictate. Any member of the Committee may call a meeting of the Committee upon due notice to each other member at least twenty-four (24) hours prior to the meeting.
2. Quorum. A majority of the members of the Committee shall constitute a quorum. If a quorum is present, a majority of the members shall decide any question brought before the Committee.
3. Unanimous Written Consents. Unless the Committee by resolution determines otherwise, the Committee may take any action required or permitted to be taken by it without a meeting if all members of the Committee consent thereto in writing.

### **IV. Authority and Responsibilities**

1. Board and Committee Membership
  - *Selection of Director Nominees* – The Committee shall be responsible for (i) identifying individuals qualified to become Board members and (ii) recommending to the Board the persons to be nominated by the Board for election as directors at the annual meeting of stockholders and the persons to be appointed by the Board to fill any vacancies on the Board.
  - *Composition* – The Committee shall be responsible for reviewing the composition and size of the Board as a whole to ensure that the Board has the appropriate experience, expertise and perspective.
  - *Search Firms* – The Committee shall have the authority to retain and terminate any search firms to be used to identify director nominees, including authority to approve the search firm's fees and other retention terms. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of any search firm engaged by the Committee.
  - *Selection of Committee Members* – The Committee shall be responsible for recommending to the Board the directors to be appointed to each committee of the Board.

## 2. Corporate Governance

- *Corporate Governance Principles* – The Committee shall develop and recommend to the Board a set of corporate governance principles applicable to the Company. The Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of such principles and recommend any changes deemed appropriate to the Board for approval.
- *Other Matters* – The Committee shall generally advise the Board as a whole on corporate governance matters.

## 3. Evaluation of the Board and its Committees

- *Regular Evaluation* – The Committee shall be responsible for overseeing an evaluation of the Board on a regular basis, but not less than every two (2) years, to determine whether it and its committees (including this Committee) are functioning effectively. The Committee shall determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of and recommendations to improve the performance of the Board and its committees, to be discussed with the Board.

## 4. Succession Planning

- *Executives* – Succession planning for Company executives shall be the responsibility of the Compensation Committee of the Board of Directors.
- *Board Members* – The Committee shall plan for continuity on the Board as existing Board members retire or rotate off the Board.

## 5. Conflicts of Interest

- *Review Other Directorships and Affiliations* – In connection with the Company's filing of its Annual Report on Form 10-K, the Committee shall review directorships, consulting arrangements and other business relationships involving the Company's directors as reported in the directors' questionnaires for possible conflicts of interest.
- *Address Conflict of Interest Situations* – The Committee shall identify, analyze and, if possible, resolve actual and potential conflicts of interest a Board member has or may have.
- *Waivers of Company Codes of Conduct* – The Committee shall review and approve any waivers of such codes relating to officers or directors of the Company.

## 6. Other Matters

- *Charter and Bylaws* – The Committee shall review periodically the Company’s Certificate of Incorporation, and all amendments thereto, and Bylaws and recommend any proposed changes to the Board for approval.
- *Charter of the Committee* – The Committee, on an annual basis, shall review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
- *Independent Advisors* – The Committee shall have the exclusive authority, at the expense of the Company and without management approval, to retain such independent consulting, legal, accounting and other advisors as it shall deem appropriate.
- *Investigations* – The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Committee.
- *Corporate Contributions* – The Committee, on an annual basis, shall review the appropriateness of contributions made by the Company.
- *Other* – The Committee shall have authority for such other matters as assigned or delegated to it by the Board from time to time.
- *Disclosure of Charter* – This Charter will be made available on the Company’s website at [www.cephalon.com](http://www.cephalon.com).

Adopted: February 6, 2003

Amended and Restated: October 18, 2005