

# **KING PHARMACEUTICALS, INC.**

## **NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER**

*As adopted by  
the Board of Directors  
of King Pharmaceuticals, Inc.  
on April 22, 2004*

### **Mission Statement**

The purpose of the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of King Pharmaceuticals, Inc. (together with its subsidiaries, the “Company”) is to (i) assist the Board by identifying individuals qualified to become Board members and recommend these individuals to the Board for appointment or nomination for election to the Board, (ii) develop, recommend, annually review and assist in implementing corporate governance guidelines for the Company, (iii) assist the Board in its annual review of Board performance and monitor a process to assess Board effectiveness, (iv) recommend to the Board director nominees for each committee of the Board, (v) provide oversight of the corporate governance affairs of the Board, each committee of the Board and the Company and (vi) assist in determining the size and composition of the Board and each committee of the Board.

### **Membership**

The Committee shall consist of no fewer than three members of the Board, and shall include the chairpersons of the Audit Committee and the Compensation and Human Resources Committee. All members of the Committee shall be independent directors, as independence is defined in accordance with the rules, regulations and standards of the New York Stock Exchange, Inc. (“NYSE”).

The Board, by resolution of a majority of the directors, shall appoint the members of the Committee. Each member shall be appointed annually at the Board meeting immediately following the annual shareholder meeting. Members shall serve on the Committee for such period as the Board may determine and no member of the Committee may be removed other than by the affirmative vote of a majority of the directors. The members of the Committee shall serve until their resignation, retirement or removal by the Board or until their terms expire (but then only at such time as qualified successors shall have been appointed).

## **Committee Duties and Responsibilities**

The Committee shall have the following specific duties and responsibilities:

### *Director Nominations*

- The Committee shall actively seek persons qualified to become members of the Board. In evaluating a person's qualifications, the Committee shall take into consideration the factors it determines to be necessary or desirable, including, without limitation, the provisions of this charter and the qualifications of the person being evaluated in comparison to those of other persons evaluated by the Committee. If reviewing the qualifications of an incumbent director, the Committee shall also consider the past performance of the incumbent director in his or her capacity as a director. The Committee shall also review the qualifications of persons suggested to it or to the Company, including persons suggested by management or by shareholders.
- If a position on the Board is to be filled, either through election of a director by shareholders (including the re-election of an incumbent director) or through the Board's appointment of a director to fill a vacancy (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board one or more persons who the Committee has determined are qualified to fill the position.
- If the Board appoints a director to fill a vacancy created by an increase in the size of the Board, the Committee shall recommend to the Board the class of directors in which the director should serve.
- Whenever appointment of a member of a committee of the Board (including the Committee) is required, the Committee shall identify persons qualified to serve on the committee and recommend one or more of these persons to the Board for appointment to the committee. In recommending a person for appointment to a committee, the Committee shall consider the provisions of the charter of the committee, if any, as well as any other factors it determines to be necessary or desirable, including, without limitation, the consistency of the candidate's experience with the purposes of the committee and the experience of other committee members. The Committee shall also recommend to the Board the chairperson to be appointed for each committee.
- The Committee shall, in accordance with applicable rules, regulations and standards, develop and recommend to the Board guidelines to be applied in making determinations as to the absence of material relationships between the Company and a non-employee director.

### *Board and Board Committee Evaluations*

- The Committee shall, not less than once per year, consider the size, composition and needs of the Board and each committee of the Board and recommend to the Board any changes that may be necessary or desirable.
- The Committee shall, not less than once per year, review the purposes of each of the committees of the Board, evaluate whether the purposes of any committee should be changed, evaluate whether any committee should be created or discontinued, and recommend to the Board the changes which the Committee determines to be necessary or desirable.
- The Committee shall periodically recommend to the Board policies or procedures to enhance the Board's effectiveness, or the effectiveness of its committees, including policies regarding the distribution of information and the frequency and structure of meetings.
- The Committee shall develop and recommend to the Board an annual performance evaluation process for the Board and shall assist the Board in implementing this process. The evaluation process shall include written evaluations from each director as to the practices, performance and effectiveness of the Board and its committees since the last evaluation.
- The Committee shall assist the committees of the Board in the development and implementation of annual performance evaluation processes.

### *Corporate Governance and Nominating Committee Evaluation*

- The Committee shall produce and provide to the Board an annual performance evaluation of the Committee, which evaluation compares the performance of the Committee with the requirements of this Charter. The performance evaluation shall also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee or the Board deems appropriate.

### *Corporate Governance Recommendations*

- The Committee shall develop and recommend to the Board for approval a set of corporate governance guidelines applicable to the Company, the Board and each committee of the Board (including this Committee). The guidelines shall address the following subjects and others that the Committee determines to be necessary or desirable:
  - Director qualification standards
  - Director responsibilities
  - Director access to management and independent advisors
  - Director compensation
  - Director orientation and continuing education
  - Management succession
  - Annual performance evaluation of the board

The Committee shall review these guidelines on an annual basis and recommend to the board any changes that the Committee determines to be necessary or desirable.

*General*

- The Committee shall annually consult with the Compensation and Human Resources Committee regarding, and make recommendations to the Board with respect to, the compensation (including any equity-based compensation) of non-employee directors. All compensation packages for non-employee directors must be approved by the Board.
- The Committee shall develop and recommend to the Board an orientation program for newly elected members of the Board and a continuing education program for all Board members. The Committee shall assist the Board in implementing these programs.
- The Committee shall develop and recommend to the Board policies concerning retirement from the Board and shall, not less than once per year, review these policies and recommend to the Board any changes which the Committee determines to be necessary or desirable.
- The Committee shall annually examine the independence from King of each non-employee director and deliver to the Board the results of its review.
- The Committee shall comply with all applicable laws, rules and regulations promulgated by the Securities and Exchange Commission, the NYSE and any other governmental entity or governing regulatory authority regarding the matters set forth in this Charter.
- The Committee shall perform any other duties or responsibilities expressly delegated to the Committee by the Board relating to any of the matters set forth in this Charter.

## **Committee Structure and Operations**

The Board, by resolution of a majority of the non-employee directors, shall designate one member of the Committee to act as the chairperson of the Committee. The Committee member so designated shall chair all meetings of the Committee and perform such other activities as from time to time are requested by the Board or as circumstances dictate. The Committee shall meet in person or telephonically at least two times a year, at such times and places as are determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee, its chairperson or the Board. The Committee may fix its own rules of procedure, which shall be consistent with the bylaws of the Company and this Charter. A majority of the Committee shall constitute a quorum. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company. The meeting minutes will be reviewed by the Committee and presented to the Board at the next Board meeting.

The Committee may invite such members of management of the Company to its meetings as it may deem desirable or appropriate.

## **Committee Reports**

The Committee shall produce the following reports and provide them to the Board:

1. An annual performance evaluation of the Committee comparing the performance of the Committee with the requirements of this Charter and setting forth the goals and objectives of the Committee for the following year. The performance evaluation should also contain any recommendations for changes to this Charter arising out of the Committee's annual review.
2. A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next regular Board meeting following the Committee meeting.
3. Any other reports which the Board may from time to time specify.

## **Retention of Consultants and Advisors**

The Committee shall have sole authority to retain and terminate any search firm to be used to identify director or committee candidates and shall have sole authority to approve the search firm's fees and other retention terms. The Committee may also conduct or authorize investigations into or studies of matters within the scope of the Committee's duties and responsibilities. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors. Fees and expenses incurred in connection with the Committee's performance of its duties and obligations shall be paid by the Company. The Committee chairperson shall notify the Chief Financial Officer of the Company of any anticipated expenses as soon as reasonably practicable.