

**WATSON PHARMACEUTICALS, INC.  
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE  
OF THE BOARD OF DIRECTORS  
CHARTER**

**I. PURPOSE**

The key functions of the Nominating and Corporate Governance Committee (the “Committee”) of Watson Pharmaceuticals, Inc. (the “Company”) are to:

- identify and present qualified candidates to the Board of Directors (the “Board”) of the Company for (i) election or reelection as directors of the Company and (ii) membership on Board committees;
- select candidates to fill any vacancies on the Board;
- ensure that the size and composition of the Board, its committees, and the Company’s Charter and Bylaws are structured in a way that best serves the Company’s practices and objectives;
- develop and recommend to the Board of a set of corporate governance guidelines and principles applicable to the Company (the “Corporate Governance Guidelines”); and
- oversee the evaluation of the Board and management.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

**II. COMPOSITION**

The Committee shall be comprised of three or more directors as determined by the Board, each of whom shall (a) satisfy the independence requirements of the New York Stock Exchange and (b) have experience, in the business judgment of the Board, that would be helpful in addressing the matters delegated to the Committee. Committee members may enhance their familiarity with the matters delegated to the Committee by participating in educational programs conducted by the Company or outside providers. The Board shall elect the members of the Committee. Committee members may be removed from the Committee, with or without cause, by the Board.

**III. MEETINGS**

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. The agenda for each meeting shall be prepared by the Secretary of the Committee and, whenever reasonably practicable, circulated to each member prior to the meeting date.

#### **IV. PROCEDURAL MATTERS**

A majority of the then acting members of the Committee shall constitute a quorum. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee.

Unless the Board of Directors elects a Chairperson, the members of the Committee may designate a Chairperson by majority vote. The Committee will meet at such times as shall be determined by its Chairperson, or upon the request of any two of its members. The Chairperson will preside, when present, at all meetings of the Committee. The Committee will keep a record of its meetings and report on them to the Board. The Committee may meet by telephone or videoconference and may take action by written consent.

The Committee may, at its discretion, include in its meetings members of the Company's management or other non-committee member directors, or any other person whose presence the Committee believes to be desirable and appropriate.

The Committee may retain any independent counsel, experts or advisors that the Committee believes to be desirable and appropriate. The Committee may also use the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall have sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve such search firm's fees and other retention terms.

#### **V. RESPONSIBILITIES AND DUTIES**

The Committee's primary duties and responsibilities are to:

1. Consider the size and composition of the Board and its committees in light of operating requirements of the Company and to assure that the proper skills and experience are represented on the Board and on its committees.
2. Undertake studies and make recommendations to the Board as the Board or Committee may deem appropriate concerning the structure, composition and functioning of the Board and its committees.
3. Recommend to the Board nominees to be elected by the Board to fill vacancies occurring on the Board or Board committees or newly created directorships.
4. At an appropriate time prior to each annual meeting of stockholders at which directors are to be elected or re-elected, recommend to the Board for nomination by the Board such candidates as the Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve.
5. Recommend to the Board nominations of candidates for election or reelection to the Board committees at least annually, including recommendations for the chairperson of each committee.

6. Develop and recommend to the Board a policy regarding the consideration of director candidates recommended by the Company's security holders and procedures for submission by security holders of director nominee recommendations.
7. Review potential conflicts of prospective Board members.
8. Review and approve of outside directorships in other publicly held companies by officers of the Company.
9. Review, at least annually, the performance of each current director and consider the results of such evaluation when determining whether or not to recommend the nomination of such director for an additional term.
10. Oversee the Board in the Board's annual review of its performance (including its composition and organization) and the performance of management, and make appropriate recommendations to improve performance.
11. Make recommendations to the Board regarding governance matters, including, but not limited to, the Company's Charter, bylaws, this Charter and the charters of the Company's other committees.
12. Develop and recommend to the Board, and oversee compliance with, the Corporate Governance Guidelines.
13. Evaluate the Committee's performance on an annual basis, including its compliance with this Charter, and provide the Board with any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.
14. Periodically report to the Board on its findings and actions.
15. Review and reassess this Charter at least annually and submit any recommended changes to the Board for its consideration.

## **VI. GUIDELINES AND PROCEDURES**

### *Composition of the Board and Board Committees*

The composition of the Board and Board committees will depend on the character and capacities of the members on the Board (taken not only individually, but also on their collective strengths), and regulatory requirements. Consequently, the Board and Board committees should be composed of directors, including but not limited to:

1. Directors chosen with a view to bringing not only direct experience, but also a variety of experience and background;
2. Directors who will represent the balanced, best interests of the stockholders as a whole rather than special interest groups or constituencies; and
3. Directors who satisfy the independence requirements of the New York Stock Exchange and applicable law.

### Selection Criteria

In considering possible candidates for election or reelection as a director of the Company or member of a Board committee, the Committee should be guided in general by the composition guidelines established above and by other relevant factors, including but not limited to, the following:

1. Each director should be chosen without regard to sex, race, age, religion or national origin;
2. Each director should be an individual of the highest character and integrity and have an inquiring mind, vision and the ability to work well with others;
3. Each director should be free of any conflict of interest which would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director;
4. Each director should possess substantial and significant experience which would be of particular importance to the Company in the performance of the duties of a director;
5. Each director should have sufficient time available to devote to the affairs of the Company in order to carry out the responsibilities of a director; and
6. Each director should have the capacity and desire to represent the balanced, best interests of the stockholders of the Company as a whole and not primarily a special interest group or constituency.

### **V. DELEGATION OF DUTIES**

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, to the extent consistent with the Company's Charter, bylaws, Corporate Governance Guidelines and applicable law and rules of the New York Stock Exchange.