

**AMERICAN MEDICAL SYSTEMS HOLDINGS INC.
NOMINATING/CORPORATE GOVERNANCE COMMITTEE CHARTER**

PURPOSE

The primary purpose of the Nominating/Corporate Governance Committee, or the Committee, is to assist the Board of Directors by (i) identifying individuals qualified to become members of the Board; (ii) recommending director nominees for each annual meeting of stockholders and director nominees to fill any vacancies that may occur between meetings of the stockholders; and (iii) reviewing and updating the Company's corporate governance standards.

ORGANIZATION

The members of the Committee shall be appointed by the Board of Directors and shall consist of at least two (2) members of the Board of Directors, each of whom shall meet the independence requirements set forth in the federal securities laws and under the rules and regulations established by the Securities Exchange Commission and the Nasdaq Stock Market, as may be amended from time to time. The Committee's chairperson shall be designated by the full Board or, if it does not do so, the Committee members shall elect a chairperson by vote of a majority of the full Committee.

The chairperson of the Committee will preside at each meeting of the Committee and, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson will ensure that the agenda for each meeting, together with any supporting material, is circulated in advance of the meeting.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Nominating/Corporate Governance Committee of the Board of Directors are as follows:

- Make recommendations regarding the size and composition of the Board.
- Oversee the process for recruiting candidates for director nominees based upon recommendations from current outside directors, members of management, outside consultants or search firms, and/or stockholders using the following approach:
 - The criteria for selecting new directors shall reflect the requirements of Nasdaq's listing standards with respect to independence and the following factors: the needs of the Company with respect to the particular talents and experience of its directors; personal and professional integrity of the candidate; level of education and/or business experience; broad-based business acumen; the level of understanding of the Company's business and the medical device industry; strategic thinking and a willingness to share ideas; and diversity of experiences, expertise and background. The Committee will use these criteria and such other criteria as it deems appropriate to evaluate potential nominees and will not evaluate proposed nominees differently depending upon who has made the recommendation.

- The Committee will consider proposed nominees whose names are submitted to it by stockholders. The Committee will review periodically whether a more formal policy should be adopted.
- The Committee shall establish reasonable procedures and deadlines for stockholders to recommend nominees for directors to assure time for meaningful consideration and evaluation of the candidate by the Committee prior to release of the Company's proxy statement for annual meetings of stockholders.
- Recommend on an annual basis a slate of director nominees for approval by the Board of Directors and the stockholders. The Committee shall recommend any director nominee designated by any person with a contractual right to designate a nominee for election by the stockholders.
- Review the appropriate committee structure of the Board and recommend to the Board for its approval directors to serve as members of each committee. The Committee shall review and recommend committee slates annually and shall recommend additional committee members to fill vacancies as needed.
- Review at least annually the Company's corporate governance standards and recommend changes to the Board as deemed necessary.
- Facilitate regular advice to the Board regarding emerging corporate governance matters for consideration and potential incorporation into the Company's governing documents, policies or procedures.
- Receive updates from the Company's Compliance Officer as to compliance activities and facilitate reporting by the Company's Compliance Officer to the Board regarding compliance matters.
- Have sole authority to retain and terminate outside consultants or search firms, including approving their fees and other terms of their engagements, to advise the Committee with respect to the identification and review of candidates for the Board.
- Report regularly to the Board of Directors (i) following meetings of the Committee, (ii) with respect to those matters that are relevant to the Committee's discharge of its responsibilities, and (iii) with respect to those recommendations that the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chairman of the Committee or any other member of the Committee designated by the Committee to make such report.

Approved by American Medical Systems Holdings, Inc.
Board of Directors

February 9, 2006