

BARR PHARMACEUTICALS, INC.

CORPORATE GOVERNANCE PRINCIPLES

The Board of Directors of Barr Pharmaceuticals, Inc. (the "Company") has adopted the corporate governance principles set forth below as a framework for the governance of the Company. The Corporate Governance and Nominating Committee (the "Committee") reviews the Principles annually and recommends changes to the Board of Directors as appropriate.

1. ROLE AND COMPOSITION OF THE BOARD OF DIRECTORS

General Oversight

The Board of Directors, which is elected by the Company's stockholders, oversees the management of the Company and its business. The Board appoints the Chief Executive Officer ("CEO") and elects the officers of the Company, who are responsible for operation of the Company's business. The Board also monitors and evaluates the performance of the CEO and the officers of the Company.

Size, Composition and Membership Criteria

A majority of the Board is made up of independent directors. An "independent" director is a director who meets the New York Stock Exchange ("NYSE") definition of independence, as determined by the Board. The Board makes an affirmative determination regarding the independence of each director annually, based upon the recommendation of the Committee.

The Committee considers and makes recommendations to the Board regarding the size, structure, composition and functioning of the Board. The Board currently has nine directors, and periodically reviews the appropriate size of the Board.

The Committee is responsible for establishing processes and procedures for the selection and nomination of directors. The Board's criteria include business experience and skills, independence, judgment, integrity, the ability to commit sufficient time and attention to Board activities, and the absence of conflicts with the Company's interests. The Committee considers these criteria in the context of the perceived needs of the Board as whole and seeks to achieve a diversity of occupational and personal backgrounds on the Board.

The Committee reviews the qualifications of director candidates in light of criteria approved by the Board and recommends candidates to the Board for election by the Company's stockholders at the annual meeting. The Committee also considers nominations by Company stockholders that recommend candidates for election to the Board in compliance with the advance notice provisions in the Company's by-laws and any other applicable SEC rules or regulations.

Board Leadership; Lead Independent Director

The Board presently believes that it is in the best interests of the Company for a single person to serve as Chairman of the Board and CEO. The Board may in its discretion separate the roles if it deems it advisable and in the Company's best interests to do so.

The Chairman of the Committee has been designated as the Lead Independent Director. The Lead Independent Director's responsibilities include presiding over and setting the agenda for executive sessions of the independent directors, consulting with the Chairman and CEO regarding agendas and scheduling and information needs for Board and committee meetings, acting as a liaison between the independent directors and management, and providing guidance on the director orientation process for new Board members. The Board may in its discretion designate other independent directors as the Lead Independent Director.

Change in Principal Occupation

The Board does not believe that directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, via the Committee, to review the continued appropriateness of Board membership under these circumstances.

Service on Other Boards and Audit Committees

Directors are encouraged to limit the number of other boards on which they serve so as not to interfere with their service as a director of the Company. Directors should also advise the chair of the Committee in advance of accepting an invitation to serve on another corporate board. Members of the Audit Committee may not serve on the audit committees of more than two other public companies.

Retirement; Term Limits

The Board does not believe that it should establish term limits. Term limits may result in the loss of directors who, over a period of time, have developed substantial insight into the Company and its operations. As an alternative to term limits, the Committee assesses the contributions of each incumbent director prior to the director's nomination to another term. This also gives each director the opportunity to confirm his or her desire to continue as a member of the Board.

2. FUNCTIONING OF THE BOARD

Attendance at and Participation in Board and Committee Meetings

Board and committee meetings are generally held on a pre-determined schedule, with additional meetings scheduled as needed. The Chairman/CEO presides at Board meetings except for executive sessions of non-management directors. Board members are expected to prepare for, attend and participate in all Board and applicable committee meetings. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as a Barr director. These other commitments will be

considered by the Committee and the Board when reviewing Board candidates and in connection with the Board's annual self-assessment process.

Distribution and Review of Board Materials

Board materials are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of the items at the meeting. Directors should review and devote appropriate time to studying Board and committee materials distributed in advance. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.

Executive Sessions of Non-Management Directors

The non-management directors meet in executive session [at least twice a year during the regularly scheduled Board meetings. The Lead Independent Director shall preside at the executive sessions.

Strategic Planning

The Board reviews the Company's long-term strategic plan and business unit initiatives at least annually.

3. STRUCTURE AND FUNCTIONING OF COMMITTEES

Number, Structure and Independence of Committees

The Board has four standing committees: Audit, Compensation, Corporate Governance and Nominating and Business Development.

The Committee along with the Audit and Compensation Committees consist solely of independent directors. In addition, directors who serve on the Audit Committee must be "independent" within the meaning of the NYSE criteria for audit committee members.

The Business Development Committee may consist of independent and non-independent directors.

The Board may also establish and maintain other committees from time to time as it deems necessary and appropriate.

Assignment of Committee Members

The Committee considers and makes recommendations to the Board regarding committee size, structure, composition and functioning. Board committee members and chairs are recommended to the Board by the Committee and appointed by the full Board.

Responsibilities

The Committee along with the Audit Committee and Compensation Committee operates under a written charter that sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership. Each standing committee assesses the adequacy of its charter annually and recommends changes to the Board as appropriate. All committees report regularly to the full Board with respect to their activities.

Meetings and Agendas

Agenda items that fall within the scope of responsibilities of a Board committee are prepared in consultation with the chair of that committee. Directors are encouraged to suggest the inclusion of items on the agenda. Directors are also free to raise subjects at a Board meeting that are not on the agenda for that meeting.

Materials related to agenda items are provided to committee members sufficiently in advance of meetings where necessary to allow the members to review and prepare for discussion of the items at the meeting.

4. DIRECTOR ACCESS TO MANAGEMENT, EMPLOYEES AND ADVISORS

At the invitation of the Board, members of senior management may attend Board meetings or portions of meetings for the purpose of presenting matters to the Board and participating in discussions. Directors also have full and free access to other members of management and to employees of the Company.

The Board has the authority to retain such outside counsel, experts and other advisors as it determines appropriate to assist it in the performance of its functions. Each of the Audit, Compensation and Corporate Governance and Nominating Committees has similar authority to retain outside advisors as it determines appropriate to assist it in the performance of its functions.

5. DIRECTOR COMPENSATION

The Compensation Committee annually reviews the compensation of non-management directors. Director compensation is set by the Board based upon the recommendation of the Compensation Committee. Non-management directors receive a combination of cash and equity compensation for service on the Board. Employee directors do not receive separate compensation for Board service, but are reimbursed for attendance expenses.

6. SUCCESSION PLANNING

The Board plans for succession to the position of Chairman/CEO as well as certain other senior management positions. The CEO reports to the Board annually on succession planning and management development and provides the Board with recommendations and evaluations of potential successors. The Chairman and CEO also makes available to the Board, on a continuing basis, recommendations regarding who should assume the position of Chairman/CEO in the event that he or she becomes unable or unwilling to perform the duties of this position.

7. FORMAL EVALUATION OF THE CEO AND OTHER EXECUTIVE OFFICERS

The Compensation Committee is responsible for setting annual and long-term performance goals for the CEO, evaluating the CEO's performance against those goals, and recommending the CEO's compensation to the independent directors for approval. Both the goals and the evaluation are submitted for consideration by the independent directors meeting in executive session. The results of the evaluation are shared with the CEO and used by the Compensation Committee in considering the CEO's compensation, which is approved by the independent directors meeting in executive session.

The Compensation Committee also is responsible for reviewing and approving annual and long-term performance goals for other executive officers of the Company. The Committee, with the Chairman/CEO, reviews the performance of these executive officers against the goals and sets the executive officers' compensation.

8. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

The Company has an orientation process for Board members that is designed to familiarize new directors with the Company's business, operations, finances and governance practices. The Board encourages directors to participate in educational programs to assist them in performing their responsibilities as directors.

9. ANNUAL PERFORMANCE EVALUATIONS

The Board conducts an annual self-evaluation to assess its performance. The Audit, Compensation and Corporate Governance and Nominating Committees conduct annual self-evaluations to assess their performance. The ability of individual directors to contribute to the Board is considered in connection with the nomination process.

10. CODE OF BUSINESS CONDUCT AND ETHICS

The Board has adopted a Code of Business Conduct and Ethics for directors, officers and employees to foster a common set of fundamental values and operating principles. The Board oversees procedures for administering and promoting compliance with the Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics is posted on the Company's website at www.barrlabs.com.

Adopted on August 5, 2004