

KING PHARMACEUTICALS, INC.
CORPORATE GOVERNANCE GUIDELINES

*As adopted by the Board of Directors
of King Pharmaceuticals, Inc. on October 22, 2004
and last amended on February 18, 2009*

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The Board of Directors of King Pharmaceuticals, Inc. has adopted the following corporate governance guidelines. The Board will review these guidelines at least annually and make such changes as it deems necessary or advisable.

Role and Composition of the Board of Directors

1. Role of the Board

The Board is responsible for overseeing the management of King's business and for advising the executive officers, who conduct the Company's business and affairs. Directors apply their business judgment to assure that King's executive officers manage in the best interests of the Company and its shareholders. In performing this general oversight responsibility, a director shall act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the director reasonably believes to be in the best interests of the corporation.

2. Size of Board

King's charter permits the Board to fix the number of directors by resolution, subject to certain limitations. The members of the Board are nominated, elected and removed in accordance with King's charter and bylaws.

3. Term Limits; Retirement Age

No director, other than the Chief Executive Officer, shall maintain a position on the Board in excess of fifteen consecutive one-year terms. One-year terms shall not be considered consecutive if separated by at least one intervening term. A director may not continue to serve beyond the next annual meeting of shareholders after reaching age 73.

4. Chairman of the Board and CEO; Lead Independent Director

The positions of Chairman of the Board and Chief Executive Officer may be held by the same person or by different persons, as the Board may determine to be in the best interests of King.

If the Chairman of the Board is not independent from King pursuant to the elements of the paragraph below entitled "Director Independence," the independent directors shall annually elect, via secret ballot, as Lead Independent Director a member of the Board who meets these independence requirements. No director may serve as Lead Independent Director for more than six consecutive years. The Lead Independent Director shall regularly meet with the Chairman of the Board, facilitate communications among members of the Board and perform other functions as prescribed by these Guidelines.

5. *Identification and Evaluation of Director Candidates*

The Nominating and Corporate Governance Committee of the Board will assist the Board by identifying individuals qualified to become Board members and recommending these individuals to the Board for appointment to fill a vacancy on the Board or for nomination for election or re-election to the Board by shareholders.

The Committee may identify candidates by the means it determines to be appropriate, including the use of professional consultants or search firms or the recommendations of directors, management or shareholders of King. In evaluating candidates, the Committee may consider any of the following factors, or other factors, which it determines to be relevant:

- Character and integrity
- Educational background
- Business or professional experience, including experience with financial statements, financial reporting, internal controls, executive compensation, corporate governance, employee benefits, manufacturing and regulatory issues or other relevant areas of experience
- Familiarity with the principal operations of publicly-traded United States companies
- The correlation between the candidate's experience and the Committee's evaluation of present and future needs of the Board of Directors

Candidates recommended by shareholders will be evaluated according to the procedures detailed above, provided that any such recommendation must be submitted in accordance with any procedures that may be established by the Nominating and Corporate Governance Committee from time to time.

Any invitation to join the Board will be extended by the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee, after discussion with the Legal Department.

6. *Director Independence*

At least two-thirds of the Board will be comprised of directors who meet the criteria for independence required by the New York Stock Exchange, the Securities and Exchange Commission and these Guidelines. Only those directors whom the Board affirmatively determines have no material relationship with King and who meet the additional qualifications prescribed under the New York Stock Exchange rules and these Guidelines will be considered independent. In making its determination, the Board will broadly consider all relevant facts and circumstances.

In addition to the criteria established by the Securities and Exchange Commission and the New York Stock Exchange, a director must satisfy the following qualifications to

be deemed “independent” in any calendar year:

- (a) Has not been employed by King or its subsidiaries or affiliates for the past 5 years;
- (b) Has not received, during the current calendar year or any of the three immediately preceding calendar years, remuneration, directly or indirectly, other than de minimis remuneration (less than \$75,000) and not including director fees, as a result of service as, or being affiliated with an entity that serves as, an advisor, consultant, or legal counsel to King or to a member of King’s senior management;
- (c) Has no personal services contract(s) with King, or any member of King’s senior management;
- (d) Is not an employee or officer with a not-for-profit entity that receives contributions that exceed the greater of \$750,000 or 1% of the not-for-profits’ annual revenue from King, its directors or executive officers;
- (e) Is not employed by a public company at which an executive officer of King serves as a director;
- (f) Has not had any of the relationships described in subsections (a) - (e) above, with any affiliate of King;
- (g) Is not a member of the immediate family of any person described in subsections (a) - (f) above; and
- (h) Does not have beneficial ownership interest of 5% or more in an entity that has received remuneration, directly or indirectly, other than de minimis remuneration, from King, its subsidiaries, or affiliates. Remuneration is deemed de minimis remuneration if such remuneration is \$75,000 or less in any calendar year, or if such remuneration is paid to an entity, it (i) did not for the calendar year exceed the greater of \$1 million, or 2% of the gross revenues of the entity; or (ii) did not result in an increase in the compensation received by the director from that entity.

A director must inform the Board of any material changes in circumstances or relationships that could affect, or appear to affect, the director’s independence from King. Following the receipt of such information, the Board shall reevaluate the director’s independence.

7. *Other Board Service*

The Board does not believe that its members should be prohibited from serving on the boards of other companies so long as those commitments do not create actual or potential conflicts with King and do not interfere with the director's ability to fulfill his or her duties as a member of the Board. As a general matter, however, no director may serve on the boards of more than three other public, for profit companies at any one time, and no director who is a full-time employee may serve on more than two other public, for profit company boards. Members of the Audit Committee should avoid serving on the audit committees of more than two other public companies. Further, a director shall notify the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee of his or her intention to become a director of another public company or a member of the Audit Committee of another public company.

The Nominating and Corporate Governance Committee will, when assessing director candidates and recommending them to the Board, or when making recommendations to the Board regarding committee appointments, take into account the time and effort required for service on other boards, including committee responsibilities.

8. *Changed Responsibilities*

A director who changes his or her principal employment, or who no longer has the same principal responsibilities outside of King as at the time of election or appointment to the Board, must promptly submit his or her resignation to the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will promptly review the resignation and related circumstances and, based upon the factors which the Committee determines to be relevant, recommend to the Board whether the director's resignation should be accepted.

An employee director must, except as may temporarily be necessary for effective transitions of responsibility, resign from the Board upon his or her resignation, removal or retirement from employment with King.

Functioning of the Board

1. Meetings of the Board

The Board will have at least four regularly scheduled meetings each year. Additional special meetings may be called at any time, upon appropriate notice, to address specific needs. The Lead Independent Director, if any, shall advise the Chairman as to an appropriate schedule of Board meetings.

Meetings of the Board will be governed by Robert's Rules of Order or such other reasonable parliamentary procedure as the Chairman of the Board shall determine to be appropriate.

2. Attendance at Meetings of the Board and Meetings of Shareholders

Directors are expected to attend and participate in all meetings of the Board and the Committees on which they serve, and the annual meetings of the shareholders of King, subject to unavoidable circumstances, and to spend the time needed to properly discharge their responsibilities. Attendance in person is preferred, but attendance by teleconference is permitted if necessary.

3. Selection of Agenda Items for Board Meetings

The agenda for each Board meeting will be established by the Chairman of the Board in consultation with the Lead Independent Director, if any, and the chairs of the Board's standing committees, other directors, members of management and advisors as needed. Each director is free to suggest the inclusion of items on the agenda.

4. Board Materials Distributed in Advance

Materials that are important to a director's understanding of the business to be conducted at a Board or committee meeting will, to the extent practicable, be distributed to directors in advance of the meeting to allow directors adequate time to prepare for the meeting. Any director may request the inclusion of specific materials among those provided in preparation for a meeting of the Board or one of its committees.

The Lead Independent Director, if any, shall advise the Chairman of the Board as to the quality, quantity, and timeliness of the flow of information from the management that is necessary for the independent directors to effectively and responsibly perform their duties.

5. Executive Sessions and Other Activities of Non-Management Directors

Non-management directors of King will meet regularly in executive session without members of management present. If the Chairman of the Board is a non-management director, then he or she will act as presiding director, and establish the

agenda for, these sessions. If the Chairman of the Board is a member of management, then the Lead Independent Director shall perform these functions.

In the event that any non-management director is not independent of King, then the independent directors will meet at least once per year in executive session without members of management or non-independent directors present.

The non-management Chairman of the Board, or the Lead Independent Director, if any, shall coordinate the activities of the non-management directors, including calling special meetings of non-management directors as necessary. He or she shall establish the agenda for, and shall chair, all special meetings of the non-management directors.

The Lead Independent Director, if any, shall:

- from time to time report to the non-management directors or to the entire Board, as appropriate, regarding his or her activities;
- assist, as a member or ex officio member of the Nominating and Corporate Governance Committee, in providing oversight of the corporate governance affairs of the Board;
- act as liaison between the independent directors and the Chairman of the Board on sensitive issues; and
- participate in evaluating, as a member or ex officio member of the Compensation and Human Resources Committee, the performance of the Chief Executive Officer and meeting with the Chief Executive Officer to discuss the Board's evaluation.

6. *Committees of the Board*

The Board has established the following principal committees to assist it in carrying out its responsibilities: (a) Audit Committee; (b) Compensation and Human Resources Committee; (c) Nominating and Corporate Governance Committee; (d) Risk Committee. The Board may establish additional committees from time to time as it deems appropriate.

Meetings of the Board's committees will be governed by Robert's Rules of Order or such other reasonable parliamentary procedure as the chairman of the committee shall determine to be appropriate.

7. *Selection of Agenda Items for Committee Meetings*

The agenda for each Committee meeting will be established by the chair of the committee in consultation with the Chairman of the Board, the Lead Independent

Director, if any, other directors, members of management and advisors as needed. Each director is free to suggest the inclusion of items on the agenda.

8. *Committee Membership*

Committee members will be appointed by the Board. The Board will consider the recommendations of the Nominating and Corporate Governance Committee with respect to these appointments. All members of the Audit Committee, the Compensation and Human Resources Committee and the Nominating and Corporate Governance Committee will be independent directors under the rules of the New York Stock Exchange and the Securities and Exchange Commission. Members of the Audit Committee will also satisfy the independence requirements for members of audit committees prescribed under the Sarbanes-Oxley Act.

The non-management Chairman of the Board or the Lead Independent Director shall serve as an ex officio, non-voting member of each standing committee of the Board on which he or she does not serve as a regular member.

9. *Committee Structure*

Each of the Audit Committee, the Compensation and Human Resources Committee and the Nominating and Corporate Governance Committee and will have a written charter which will be published on King's website. These charters will set forth the purposes and responsibilities of the committees as well as procedures for committee member appointment and removal, committee structure and operations, and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its charter and performance.

The non-management Chairman of the Board or the Lead Independent Director shall provide advice to the Board as necessary regarding the assessment of committee organization, structure, charters and effectiveness and related matters.

10. *Referral of Matters to Committees*

Matters to be considered by the Board should, to the extent deemed appropriate and practical by the Chairman of the Board, be referred to appropriate Board committees for review and recommendation to the Board.

Director Access to Management and Advisors

1. *Access to Management*

Directors will have full and free access to officers and employees of King. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or General Counsel; provided, that, using his or her best judgment that

any such contact would not be disruptive to the business operations of the Company, a director may contact an officer or employee directly if he or she wishes to do so.

2. *Access to Advisors*

The Board of Directors and its committees have the right, at any time, to engage at King's expense such independent legal, financial, or other advisors as they deem appropriate in connection with the performance of their duties, subject to established procedures and, when applicable, the terms of committee charters. The Lead Independent Director, if any, may recommend to the Chairman or to any committee chair the retention of such advisors.

Director Compensation

The Compensation and Human Resources Committee and the Nominating and Corporate Governance Committee will be responsible for recommending to the Board compensation and benefits for non-employee directors. Non-employee director compensation and benefits will be set at levels that are consistent with market practices, taking into account the size and scope of King's business and the responsibilities of its directors. Absent unusual and compelling circumstances, non-management directors will receive no additional compensation, in the form of consulting fees or other specific benefits, beyond that provided for service on the Board.

Director Orientation and Continuing Education

The Nominating and Corporate Governance Committee, in conjunction with the Legal Department, will be responsible for providing an orientation for new directors and for periodically providing information to directors on subjects that will assist them in discharging their duties. Directors may participate in continuing education programs, and King will pay the reasonable costs of attendance by a director at such programs.

All new directors shall, within 12 months of election to the Board, attend a director education program through an appropriate college or university (e.g., Stanford Law School Directors College, Vanderbilt Directors College, Duke University or any other Risk Metrics Group-approved director education program), unless the new director has attended such program within the previous 36 months.

Evaluation of the Chief Executive Officer

The Compensation and Human Resources Committee will evaluate, in consultation with the non-management directors of the Board, the performance of the Chief Executive Officer at least annually, as provided in the charter for that committee.

Management Succession

The Board of Directors views the selection of King's Chief Executive Officer as one of its most important responsibilities. The Board has delegated responsibility for review of management succession plans to its Compensation and Human Resources Committee, although the full Board would approve the hiring of any new Chief Executive Officer.

Code of Corporate Conduct and Ethics

King will maintain a Code of Corporate Conduct and Ethics which sets forth for our directors, officers, and employees the professional and ethical framework within which business decisions should be made at King. The Code should include provisions relating to conflicts of interest, compliance with laws, confidentiality, and fair dealing, among others. Any waiver of the Code for a director or executive officer will be subject to approval by the Board and will be promptly disclosed to shareholders in a manner consistent with the requirements of the New York Stock Exchange and applicable law. In the case of the consideration of a waiver in favor of a director, the director may not participate in the deliberation or vote relating to the waiver.

Communications Outside King

The Board believes that management speaks for King and that the Chairman of the Board speaks for the Board. Board members are expected to communicate with those outside King regarding the activities of King only at the request of a majority of the Board, the Chairman of the Board or management, absent unusual circumstances or as contemplated by committee charters. Further, these communications are subject to the terms of King's Corporate Code of Conduct and Ethics.

The non-management Chairman of the Board or Lead Independent Director shall serve as a point of contact for security holders or other interested parties wishing to communicate with the Board other than through King's management.

Annual Performance Evaluation

The Board, with the assistance of the Nominating and Corporate Governance Committee, will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. This evaluation will focus on the contributions made by the Board and its committees and specifically review areas in which the Board or management believes that these contributions could be made more effective. The non-management Chairman of the Board or the Lead Independent Director shall coordinate this process.