



Par Pharmaceutical Companies, Inc.

CORPORATE GOVERNANCE

Compensation and Management Development Committee Charter

Purpose

The primary purposes of the Compensation and Management Development Committee (the "Committee") are:

1. to assist the Company's Board of Directors (the "Board") in discharging its responsibilities in respect of the compensation and development of the Company's executive officers;
2. to oversee plans for management development and succession;
3. to produce an annual report for inclusion in the Company's proxy statement on executive compensation;
4. to approve and evaluate management compensation plans, policies and programs; and
5. to fix and determine awards to employees of stock options, restricted stock and other types of stock-based awards.

Organization

Composition and Qualifications

The Committee shall be comprised of three or more members of the Board, each of whom is determined by the Board to be "independent" under the rules of the New York Stock Exchange (the "NYSE"). Additionally, no director may serve unless he or she (i) is a "Non-employee Director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

Appointment and Removal

The members of the Committee shall be appointed by the Board and may be removed and/or replaced by the Board, with or without cause, in its sole discretion. The Committee's Chairperson shall be designated by the Board or, if it does not do so, by a vote of a majority of the Committee's members.



Structure and Meetings

The Chairperson will preside at each meeting of the Committee and, in consultation with the other members of the Committee, shall set the date and length of each meeting and the agenda of items to be addressed at each meeting. The Committee shall meet as often as may be deemed necessary or appropriate in its judgment, either in person or telephonically, and at such times and places as the Committee shall determine. The Committee shall make regular reports to the Board on its activities. These reports will generally occur shortly after each Committee meeting or at such other times as the Committee deems appropriate.

Duties and Responsibilities

1. The Committee shall produce an annual report on executive compensation for inclusion in each of the Company's proxy statements.
2. The Committee shall review and approve corporate and individual goals and objectives relevant to CEO compensation; evaluate the CEO's performance in light of these goals and objectives; and set the CEO's compensation level based on this review. In determining the long-term incentive compensation of the CEO, the Committee will consider, among other factors, the Company's and the CEO's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the Company's CEOs in past years.
3. The Committee shall annually review and approve the compensation of all other officers and key executives of the Company, including incentive compensation plans and equity-based plans.
4. The Committee shall fix and determine awards to employees of deferred and/or restricted stock or stock options pursuant to any of the Company's employee stock option or stock-related plans now or from time to time hereafter in effect and exercise such other power and authority as may be permitted or required under such plans.
5. The Committee shall assist the Board in developing and evaluating potential candidates for executive positions, including the CEO, and oversee the development of executive succession plans.
6. The Committee shall annually review and approve the Company's management development programs and procedures.
7. The Committee shall from time to time review and make recommendations to the Board with respect to the compensation of non-employee directors.
8. The Committee may form and delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion; such committees shall have at least two members.
9. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

