



Corporate Governance Principles

1. Duties and Responsibilities of the Board of Directors

All directors are elected annually by the shareholders as their representatives in providing oversight of the operation of the Company. The directors select the Chief Executive Officer and oversee and monitor the performance of the senior management team, which is charged with the day-to-day conduct of the Company's business. The fundamental responsibility of the directors is to exercise their business judgment on matters of critical and long-term significance to the Company in furtherance of what they reasonably believe to be in the best interest of the Company, and therefore its shareholders.

It is the policy of the Company that the number of directors not exceed a number that can function efficiently as a body.

Directors are expected to attend Board meetings and meetings of the Committees on which they serve, to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities. Meetings should include presentations by management and, when appropriate, outside advisors or consultants, as well as sufficient time for full and open discussion.

A meeting agenda as well as written materials that are important to the Board's understanding of the agenda items to be discussed at a Board or Committee meeting should be distributed to the directors sufficiently in advance of the meeting to allow the directors the opportunity to prepare. Directors are expected to review these materials thoroughly in advance of the meeting.

A director should engage in discussions with the Chairman or the Vice Chairman prior to accepting an invitation to serve on an additional public company board.

2. Board Committees

Currently, the Board has the following committees: Audit Committee, Compensation Committee, Corporate Compliance Committee, Executive Committee, Finance Committee, Governance and Nominating Committee. The Board may, from time to time, eliminate committees or establish or maintain additional committees, as it deems necessary or appropriate.

The members and chairs of committees are appointed annually by the Board. The Audit Committee, Compensation Committee and Governance and Nominating Committee are comprised of independent directors only.

Each committee will meet in from time to time, as required or as requested by any member. The Audit Committee, Compensation Committee and Governance and Nominating Committee will each hold at least two executive sessions each year without members of management present.

Each committee will have its own charter, which will be adopted, and may be amended, by the Board.

3. Non-Employee Directors

Non-employee directors will meet in regular executive sessions without any members of management present at least two times each year.

The Chairs of our Audit, Compensation and Governance and Nominating Committees of the Board each preside as the chair at meetings or executive sessions of outside directors at which the principal items to be considered are within the scope of the authority of his or her committee. Our experience has indicated that this practice provides leadership at all of the meetings or executive sessions of outside directors without the need to designate a lead director.

4. Director Qualifications

A majority of the members of the Board should be "independent," not only as that term may be defined legally or mandated by Nasdaq listing standards, but also without the appearance of any conflict in serving as a director. For a director to be considered independent, the Board must determine that he or she does not have any direct or indirect material relationship with the Company (other than in his or her capacity as a director).

Below are the general criteria for nomination to the Board which have been adopted by the Governance and Nominating

Committee. These criteria set the traits, abilities and experience that the Board looks for in determining candidates for election to the Board.

- A. Directors should be of the highest ethical character and share the values of the Company.
- B. Directors should have personal and/or professional reputations that are consistent with the image and reputation of the Company.
- C. Each Director should have relevant expertise and experience and be able to offer advice and guidance to the Chief Executive Officer based on that expertise and experience.
- D. Each Director should have the ability to exercise sound business judgment.

We do not believe that our directors should be subject to term limits. Due to the complexity of the businesses of the Company, we value the increasing insight which a director is able to develop over a period of time. We believe that a lengthy tenure on our Board provides an increasing contribution to the Board and is therefore in the interests of our shareholders. However, renomination to the Board is based on an assessment of each director's performance and contribution and is not automatic.

No director may serve on the board of directors of more than five public companies, without the prior approval of the Board.

While each director is awarded a stock upon his or her initial election to the Board, we believe that there should not be minimum requirements for stock ownership.

5. Rights of the Board of Directors

As the elected representatives of the shareholders, the directors are entitled to certain rights that enable them to fulfill their responsibilities more effectively, including the following:

Directors have full and free access to officers and employees of the Company. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, inform the Chief Executive Officer of any significant communication between a director and an officer or employee of the Company.

Directors should be compensated for their time dedicated to and other contributions on behalf of the Company. The Compensation Committee will annually review and approve or suggest changes to the compensation of directors. Furthermore, director's fees (which include all fees, stock awards, stock options and other consideration given to directors in their capacity as directors) are the only compensation that members of the Audit Committee may receive from the Company.

The Board and each Committee has the authority to engage independent legal, financial or other advisors as it may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance, but each Committee will notify the Chairman and the Vice Chairman of any such action. Management of the Company will cooperate with any such engagement and will ensure that the Company provides appropriate funding.

6. Communication with Directors.

Shareholders, employees and others may contact the Board of Directors, or the non-employee directors as a group, by writing to them at the following address:

Board of Directors c/o Secretary
or
Non-Employee Directors c/o Secretary
Mylan Laboratories Inc.
1500 Corporate Drive
Canonsburg, Pennsylvania 15317.

Communications regarding accounting, internal accounting controls or auditing matters may also be reported to the Board using the above address. All communications received as set forth above will be opened by the office of the Secretary for the purpose of determining whether the contents represent a message to our directors. Materials that are not in the nature of advertising or promotions of a product or service or patently offensive will be forwarded to the Board or to each director who is a member of the group or committee to which the envelope is addressed.

7. Annual Performance Evaluations

The Board and each Committee will conduct an annual self-evaluation. These self-evaluations are intended to facilitate an examination and discussion by the entire Board and each Committee of its effectiveness as a group in fulfilling its Charter

requirements and other responsibilities, its performance as measured against these guidelines and areas for improvement. The Governance and Nominating Committee will propose the format for each annual self-evaluation.

8. Director Orientation and Continuing Education

The Company has a full orientation and continuing education process for Board members that includes materials, meetings with key management and visits to Company facilities.

9. Management Succession

In light of the critical importance of executive leadership to the success of the Company, the Board will work with senior management to ensure that effective plans are in place for management succession. As part of this process, the Chief Executive Officer will report to the Board from time to time on succession planning.

10. Periodic Review of these Principles

These Principles will be reviewed annually by the Governance and Nominating Committee and may be amended by the Board from time to time.