

Forest Laboratories, Inc.

Corporate Governance Guidelines

1. Director Qualification Standards and Election Practice; Presiding Director

A majority of the members of the Board of Directors and all of the members of the audit committee, the compensation committee and the nominating and corporate governance committee must qualify as independent directors in accordance with the applicable provisions of the Securities Exchange Act of 1934, and the rules promulgated thereunder and the applicable rules of the New York Stock Exchange. To assist the Board of Directors in seeking determinations of independence, the Board of Directors will consider, at a minimum, the categorical independence standards set forth on Schedule 1 hereto. The Board of Directors will also consider, at a minimum, the categorical qualifications for Directors set forth on Schedule 1 in assessing the qualification of Directors.

In accordance with the Company's Bylaws, if none of our stockholders provides the Company notice of an intention to nominate one or more candidates to compete with the Board's nominees in a Director election, or if our stockholders have withdrawn all such nominations by the tenth day before the Company mails its notice of meeting to our stockholders, a nominee must receive more votes cast for than against his or her election or re-election in order to be elected or re-elected to the Board. The Board expects an incumbent Director to tender his or her resignation if he or she fails to receive the required number of votes for re-election. The Board shall nominate for election or re-election as Director only candidates who agree to tender, promptly following the annual meeting at which they are elected or re-elected as Director, irrevocable resignations (substantially in the form of that set forth below) that will be effective upon (i) the failure to receive the required vote at the next annual meeting at which they face re-election and (ii) Board acceptance of such resignation. In addition, the Board shall fill Director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other Directors in accordance with this Section 1.

If an incumbent Director fails to receive the required vote for re-election, the Corporate Governance Committee will act on an expedited basis to determine whether to accept the Director's resignation and will submit such recommendation for prompt consideration by the Board. The Board expects the Director whose resignation is under consideration to abstain from participating in any decision regarding that resignation. The Corporate Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a Director's resignation.

Form Resignation

[Date]

Attention: Chairperson of the Board of Directors

Dear _____:

In accordance with the Practices of the Board of Directors of Forest Laboratories, Inc. regarding majority voting in director elections, I hereby tender my resignation as a director of the Board, provided that this resignation shall be effective only in the event that (i) I fail to receive a sufficient number of votes for re-election at the next meeting of the stockholders of the Corporation at which my seat on the Board will be subject to election (the "Applicable Annual Meeting") and (i) the Board accepts this resignation following my failure to be re-elected at the Applicable Annual Meeting.

If I am re-elected at the Applicable Annual Meeting, this resignation will be deemed withdrawn upon my re-election. However, if I am not re-elected at the Applicable Annual Meeting, this resignation will be deemed withdrawn only if and when the Board decides not to accept this resignation in accordance with the preceding paragraph. This resignation may not be withdrawn by me at any time other than as set forth in this paragraph.

Very truly yours,

Director

The Board will appoint a Presiding Director who shall be an "independent director" within the meaning of the applicable rules of the Securities Exchange Commission and the New York Stock Exchange and who shall have the following specific duties and responsibilities:

- In consultation with the other independent directors:
 - advise the Chairman as to an appropriate schedule of board meetings;
 - review and provide the Chairman with input regarding the agendas for the board meetings
- preside at all meetings at which the Chairman is not present including executive sessions of the independent directors and apprise the Chairman of the issues considered;
- be available for consultation and direct communication with the Company's shareholders;
- call meetings of the independent directors when necessary and appropriate; and
- perform such other duties as the Board may from time to time delegate

2. Director Responsibilities

Directors should exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company in a manner consistent with their fiduciary duties. Directors should regularly attend meetings of the Board of Directors and of all Board committees upon which they serve. To prepare for meetings, directors should review the materials that are sent to directors in advance of those meetings.

The Board of Directors of the Company will schedule one or more regular executive sessions where non-management directors meet without management participation. The non-management directors shall either select a non-management director to preside at each executive session or shall establish a procedure by which the presiding director for each executive session shall be selected. The Board will establish methods by which interested parties may communicate directly with the presiding director or with the non-management directors of the Board of Directors as a group and cause such methods to be disclosed. If the non-management directors include any non-independent directors, the independent directors will schedule a meeting in executive session at least once annually.

The Board of Directors shall at all times maintain an Audit Committee, a Nominating and Governance Committee and a Compensation Committee which must operate in accordance with applicable law, their respective charters as adopted and amended from time to time by the Board, and the applicable rules of the Securities and Exchange Commission and the New York Stock Exchange. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the Company's by-laws as the Board sees fit.

Directors shall preserve the confidentiality of confidential material given or presented to the Board of Directors.

Information and data that is important to the Board's understanding of the business to be discussed at meetings will be distributed in advance of meetings to the extent practicable, except when such material is too sensitive to be put in writing.

Directors must disclose to other Directors any potential conflicts of interest they may have with respect to any matter under discussion and, if appropriate, refrain from voting on a matter in which they may have a conflict.

Except in unusual circumstances or as required by committee charters or as requested by senior management, Directors are expected to follow the principle that senior management, as opposed to individual Directors, provides the public voice of the Company. Directors receiving inquiries from institutional investors, the press, or others should refer them to the Chief Executive Officer or other appropriate officer of the Company.

The Board does not believe in mandating fixed rotation of Board committee members and/or chairpersons since at any time there may be reasons for maintaining continuity. Committee membership shall be determined and periodically reviewed to assure the most effective committee membership.

3. Director Access to Management and Independent Advisors

The Company shall provide each director with complete access to the management of the Company, subject to reasonable advance notice to the Company and reasonable efforts to avoid disruption to the Company's management, business and operations. The Board of Directors and Board committees, to the extent set forth in the applicable committee charter, have the right to consult and retain independent legal and other advisors at the expense of the Company.

4. Director Compensation

The Board of Directors or an authorized committee thereof will determine and review the form and amount of director compensation, including cash, equity-based awards and other director compensation. In connection with such director compensation, the Board of Directors will be aware that questions may be raised when directors' fees and benefits exceed what is customary. Similarly, the Board of Directors will be aware that the independence of directors could be questioned if substantial charitable contributions are made to organizations in which a director is affiliated or if the Company enters into consulting contracts with, or provides other indirect compensation to, a director. The Board of Directors will critically evaluate each of these matters when determining the form and amount of director compensation, and the independence of a director.

5. Director Orientation and Continuing Education

The Board of Directors will establish, or identify and provide access to appropriate orientation programs, sessions or materials for newly-elected directors of the Company for their benefit either prior to or within a reasonable period of time after their nomination or election as a director. The Board of Directors or the Company will encourage, but not require directors to periodically pursue or obtain appropriate programs, sessions or materials as to the responsibilities of directors of publicly-traded companies. The Company shall reimburse directors for their expenses in attending courses regarding the responsibilities of corporate directors and/or best practices of corporate boards.

6. Management Evaluation and Succession

The Board of Directors (not including any members of management of the Company) will conduct an annual review of the performance and compensation of the Chief Executive Officer (and such other corporate officers as they deem appropriate), taking into account the views and recommendations of the Compensation Committee and Nominating and Governance Committee, as applicable, and as set forth on their respective Charters.

The independent directors will meet annually with the Chief Executive Officer to establish and review such formal or informal policies and procedures as they consider appropriate regarding succession to the Chief Executive Officer and other senior executive positions in the event of an emergency or retirement. Such policies and procedures shall include procedures facilitating the Board's exposure to and interaction with management as contemplated by (and subject to) the provisions of Section 3 of these Corporate Governance Guidelines.

7. Annual Performance Evaluation of the Board

The Board of Directors will conduct a self-evaluation annually to determine whether it and its committees are functioning effectively, including specific consideration of whether the range and depth of skills and experience represented on the Board continues to be adequate to meet the evolving conditions and challenges faced by the Corporation and the industry in which it operates. The full Board will discuss the evaluation report to determine what, if any, action could improve Board and Board committee performance. The Board, with the assistance of the Nominating and Governance Committee, as appropriate, shall review these Corporate Governance Guidelines on an annual basis to determine whether any changes are appropriate.

8. Executive Compensation

The Corporation will annually provide its shareholders the opportunity to express their approval of the Corporation's compensation policies and procedures as reflected in the proxy statement for the Corporation's annual meeting.

In addition to such other remedies as may be available to the Corporation, the Corporation may recover (in whole or in part) any bonus, incentive payment, commission, equity award or other compensation received by an executive officer of the Corporation (as such term is defined in the Securities and Exchange Act of 1934) to the extent that the amount thereof is or was based on any financial results or operating metrics that were impacted by such executive officer's knowing or intentional fraudulent or illegal conduct.

9. Amendment, Modification and Waiver

These Guidelines may be amended, modified or waived by the Board of Directors and waivers of these Guidelines may also be granted by the Nominating and Governance Committee, subject to the disclosure and other provisions of the Securities and Exchange Act of 1934, the rules promulgated thereunder and the applicable rules of the New York Stock Exchange.

SCHEDULE 1

Categorical Standards

- No Director who is an employee or a former employee of the Company will be considered "independent" until three years after the employment has ended.
- No Director who receives more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other form of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service) until three years after he ceases to receive more than \$100,000 per year in such compensation will be considered "independent."
- No Director who is, or in the past three years has been, part of an interlocking directorate in which an executive officer of the Company serves on the compensation committee of another company that currently employs the Director will be considered "independent."
- No Director who during the prior three years, was an executive officer or an employee, or whose immediate family member was an executive officer, of a company that made payments to, or received payments from the Company for property or services in an amount which, in any single fiscal year, exceeded the greater of \$1 million or 2% of such other company's consolidated gross assets will be considered "independent."
- The Company's annual Proxy Statement will disclose whether the Directors meet the categorical standards for independence set forth above. If the Board determines that a Director who does not meet the standards set forth above is independent, the Company's annual Proxy Statement will disclose the basis for the Board's determination.

Categorical Qualifications

- Directors should have the following attributes: personal integrity; loyalty to the Company and concern for its success and welfare; experience at strategy/policy setting level; high-level leadership experience in business or administrative activity; breadth of knowledge about issues affecting the Company; an ability to work effectively with others; sufficient time to devote to the Company; freedom from conflicts of interest.
- Directors are expected to advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee promptly upon accepting any other public company directorship or any assignment to the audit committee or compensation committee of the board of directors of any public company of which such Director is a member.
- Directors are expected to report changes in their business or professional affiliations or responsibilities, including retirement, to the Chairman of the Board and the Chairman of the Nominating and Governance Committee. A Director should offer to resign if the Nominating and Governance Committee concludes that the Director no longer meets the

Company's requirements for service on the Board of Directors.

- No Director shall serve as a director, officer or employee of a competitor of the Company.
- The Board of Directors reserves the right to determine, from time to time, how to configure the leadership of the Board and the Company in the way that best serves the Company.
- The Chief Executive Officer and any other officer of the Company who is a director shall resign from the Board of Directors when such individual ceases to be the Chief Executive Officer or other officer of the Company, unless requested by the Board to remain a director.

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