

**CHARTER OF THE LITIGATION COMMITTEE OF THE  
BOARD OF DIRECTORS OF PDL BIOPHARMA, INC.  
AS ADOPTED ON APRIL 7, 2015**

**I. STATEMENT OF POLICY**

This Charter specifies the scope of the responsibilities of the Litigation Committee (the “Committee”) of the Board of Directors (the “Board”) of PDL BioPharma, Inc. including its subsidiaries (the “Company”) and the manner in which those responsibilities shall be performed, including its structure, processes and membership requirements.

The primary purpose of the Committee is to oversee any significant arbitration, litigation or other legal process involving a dispute between the Company and a third party (“Disputes”), and assist the Board in fulfilling its oversight responsibilities with respect to such Disputes.

The Committee shall have the authority to obtain advice or assistance from consultants, legal counsel, accounting or other advisors as appropriate to perform its duties hereunder, and to determine the terms, costs and fees for such engagements. The fees and costs of any consultant or advisor retained by the Committee to assist the Committee in performing its duties hereunder shall be borne by the Company.

**II. ORGANIZATION AND MEMBERSHIP REQUIREMENTS**

The Committee shall be comprised of two or more directors selected by the Board, at least one of whom shall satisfy the independence requirements of NASDAQ.

Each member of the Committee must have experience or background resulting in an individual who is knowledgeable about the initiation, management, prosecution and resolution of such Disputes. The members of the Committee shall be appointed by the Board or appointed by the Board on the recommendation of the Nominating and Governance Committee, if and when such a committee is established, and shall serve until their successors are duly elected and qualified or their earlier resignation or removal. Any member of the Committee may be replaced by the Board, or replaced by the Board on the recommendation of the Nominating and Governance Committee. Unless a chairman is elected by the full Board, the members of the Committee may designate a chairman by majority vote of the full Committee membership.

**III. MEETINGS**

The Committee shall meet as often as it determines. A majority of the members shall represent a quorum of the Committee, and, if a quorum is present, any action approved by at least a majority of the members present shall represent the valid action of the Committee.

The Committee shall meet with management and outside counsel as appropriate. The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

#### **IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Committee shall:

1. Consult with management and outside counsel to discuss the initiation of any Dispute by the Company prior to its commencement or the settlement of any Dispute prior to its resolution.
2. Consult with management and outside counsel following the initiation of a Dispute by a third party or an overture by a third party to settle a Dispute.
3. Consult with management and outside counsel regarding the strategy for the management, prosecution and resolution of all Disputes.
4. Periodically receive updates on the status of all Disputes.
5. Receive immediate updates on any significant developments with respect to a Dispute, and consult with management and outside counsel on an appropriate course of action with respect to such development.
6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.