

AKORN, INC.
AUDIT COMMITTEE CHARTER

I. PURPOSE

The primary function of the Audit Committee (the “Audit Committee”) of Akorn, Inc. (the “Company”) is to assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities by reviewing: the financial reports and other financial information provided by the Company to designated regulatory bodies or the public; the Company’s systems of internal controls regarding finance, accounting, legal compliance and ethics that management has established; and the Company’s auditing, accounting and financial reporting processes.

Management is responsible for (a) the preparation, presentation and integrity of the Company’s financial statements; (b) accounting and financial reporting principles; and (c) the Company’s internal controls and procedures designed to promote compliance with accounting standards and applicable laws and regulations.

The Company’s independent registered public accounting firm (the “independent auditor”) is responsible for performing an independent audit of the consolidated financial statements in accordance with generally accepted auditing standards. The Company’s independent auditor is also charged with attesting to, and reporting on, management’s assessment of the effectiveness of the Company’s internal control over financial reporting (“ICFR”).

Regardless of whether the Audit Committee members are or have been professional accountants or auditors, they are not responsible for conducting the audit or performing other accounting work, and their functions are not intended to duplicate or certify the activities of management and the Company’s independent auditor. The Audit Committee serves a board level oversight role where it oversees the relationship with the independent auditor, as set forth in this Charter. In that capacity, the Audit Committee is directly responsible for the selection, appointment, compensation, retention, oversight, and, if necessary, the termination of the independent auditor. The Audit Committee also provides advice, counsel and general direction, as it deems appropriate, to management and the independent auditor on the basis of the information it receives, its discussions with the independent auditor, and the experience of the Audit Committee’s members in business, financial and accounting matters.

II. MEMBERSHIP

The Audit Committee shall be comprised of three or more Directors, as such number may be determined by the Board from time to time. Each member of the Audit Committee must meet the independence of the NASDAQ Marketplace Rules, as applicable to the Company at the time of that determination, and applicable federal law, including Section 10A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and be free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the Audit Committee, each as determined by the Board. No member of the Audit Committee shall have

participated in the preparation of the financial statements of the Company at any time during the past three years.

All members of the Audit Committee shall be “financially literate” under the NASDAQ Marketplace Rules, as applicable to the Company at such time, and applicable federal law, including the Exchange Act, meaning they have the ability to read and understand fundamental financial statements, including a company’s balance sheet, income statement, and cash flow statement.

At least one member of the Audit Committee (a) shall be an “audit committee financial expert,” as defined by the rules and regulations of the Securities and Exchange Commission (the “SEC”), and (b) shall be financially sophisticated under the NASDAQ Marketplace Rules, as applicable to the Company at such time, and have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including but not limited to being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

Designation of any Audit Committee members as an “audit committee financial expert” shall be made on an annual basis by the full Board upon recommendation of the Nominating and Corporate Governance Committee.

The members of the Audit Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless a Chair is elected by the independent members of the Board, the members of the Audit Committee may designate a Chair by vote of the Audit Committee. The Chair of the Committee shall serve at the direction of the independent members of the Board, shall preside at meetings of the Committee and shall have authority to convene meetings, set agendas for meetings, and determine the Committee’s information needs, except as otherwise provided by action of the Committee. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute from among its members to serve as chair of the meeting.

III. RESPONSIBILITIES, DUTIES AND POWERS

In discharging its role, the Committee is empowered to inquire into any matter it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company and, subject to the direction of the Board, the Committee is authorized and delegated the authority to act on behalf of the Board with respect to any matter necessary or appropriate to the accomplishment of its purpose.

The Audit Committee is responsible for, but not limited to, the following:

Independent Auditor and Other Registered Public Accounting Firms

1. Review and discuss the written statement from the independent auditor concerning any relationship between the independent auditor and the Company or any other relationships

that may adversely affect the objectivity and independence of the independent auditor, and, based on such review, assesses the independence of the independent auditor.

2. Review and discuss with the independent auditor (a) the auditor's responsibilities under generally accepted accounting standards and the responsibilities of management in the audit process; and (b) the overall strategy; and scope and timing of the annual audit.
3. Review and approve the engagement of the Company's independent auditor, including the scope, fees and timing of the audit.
4. Provide an open avenue of communication among the independent auditor, financial and senior management and the Board.
5. Review and discuss with the independent auditor the matters required to be discussed by Auditing Standard 1301, Communications with Audit Committees (AS 1301), including but not limited to:
 - a) all critical accounting policies and practices used by the Company; alternative accounting treatments within GAAP related to material items that have been discussed with management, including the ramifications of the use of the alternative treatments and the treatment preferred by the independent auditor; and other material written communications between the independent auditor and management;
 - b) matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work and management's responses, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management;
 - c) any departures from the independent auditor's standard opinion or report; and
 - d) the independent auditor's judgments as to the quality, not just the acceptability, of the Company's accounting principles and such matters as are required to be discussed with the Audit Committee under generally accepted auditing standards.
6. Oversee the work of the Company's independent auditor (including resolutions of disagreements between management and the independent auditor regarding financial reporting), and replace the independent auditor if necessary. The independent auditor shall report directly to the Audit Committee.
7. Obtain and review annually a report by the independent auditor describing such independent auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
8. Conduct discussions with the independent auditor regarding its inspections by the Public Company Accounting Oversight Board ("PCAOB"). These may include discussions (during the conduct of the inspection and afterward) about specific inspection findings, such as:

- a) Whether the company's audit was selected by the PCAOB for an inspection, and, if so, what is being looked at, and any audit deficiencies identified by the PCAOB.
 - b) Whether the PCAOB has identified deficiencies in other audits that involved auditing or accounting issues similar to those presented in the company's audit and, if so, what steps the independent auditor has taken in response.
 - c) What were the independent auditor's responses to the PCAOB's findings; in particular, did the independent auditor agree with the PCAOB's findings and, if not, why not, or if the independent auditor did agree, what steps the independent auditor then took.
 - d) With respect to the PCAOB's non-public quality control findings, the Audit Committee acknowledges that many audit firms will be reluctant to share the details of the findings. The Audit Committee will ask for general information such as:
 - o What changes the independent auditor is making to address any quality control deficiencies;
 - o What is the progress of the quality control remediation process;
 - o The inspected years about which the PCAOB has made a final determination about the independent auditor's remediation efforts and the nature of that determination; and
 - o Whether the PCAOB has provided initial indications that the independent auditor may not have sufficiently remediated any items.
9. Review and approve, in advance, all permissible non-audit services to be performed by the Company's independent auditor, with exceptions provided for de minimus amounts under certain circumstances as described by law.
 10. Ensure the rotation of the audit partners at the independent auditor as required by Section 10A(j) of the Exchange Act. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditor on a regular basis.

Internal Audit, Internal Controls & Risk Management

11. Evaluate whether management is setting the appropriate "tone at the top" by communicating the importance of the Company's ethical and business practice standards, including the importance of internal accounting controls.
12. Serve as an independent and objective party to monitor the Company's financial reporting process and ICFR.
13. Review and discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
14. Review and discuss with management, the internal audit department and the independent auditor: (a) the adequacy and effectiveness of the Company's ICFR (including any significant deficiencies and significant changes in ICFR reported to the Audit Committee by the independent auditor or management; (b) the Company's internal audit procedures;

and (c) the adequacy and effectiveness of the Company's disclosure controls and procedures, and management reports thereon.

15. Review and discuss with management and the independent auditor various topics and events that may have significant financial impact on the Company or that are the subject of discussions between management and the independent auditor.
16. Review and discuss with executive management and the Board the appointment or dismissal of the chief audit executive ("CAE"), which appointment or dismissal shall be made by the Audit Committee.
17. Consult with executive management and the Compensation Committee about the CAE's performance evaluation and compensation and the application of the Company's compensation policies to other internal audit personnel. The compensation of the CAE shall be determined by the Compensation Committee.
18. Review reports periodically from the CAE, regarding the activities of the internal audit function, including the annual internal audit work plan, discuss with the independent auditor the responsibilities, budget and staffing of the company's internal audit function and review periodically the performance of the internal audit function.
19. Review and advise the Chief Executive Officer and the Board with respect to the appointment, dismissal and replacement of the Chief Financial Officer and Chief Accounting Officer and consult with the Chief Executive Officer and the Compensation Committee about the performance evaluation and compensation of each.

Financial Reporting

20. Review and discuss with management and the independent auditor (a) the Company's audited financial statements and quarterly financial statements (including the related notes); (b) the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") included in the Company's annual and quarterly reports to be filed with the SEC; (c) the form of any audit opinion to be issued by the independent auditor on the financial statements; and, (d) if deemed appropriate, recommend to the Board that the applicable audited financial statements and MD&A be included in the Annual Report on Form 10-K.
21. Publish the report of the Audit Committee required by the rules of the SEC to be included in the Company's annual proxy statement.
22. Review and discuss with management earnings press releases and financial information and earnings guidance provided to analysts and to rating agencies, including any such dissemination of financial information not involving the presentation of financial measures in accordance with GAAP.

Legal and Ethical Compliance

23. Ensure that management has established a system to enforce the Company's Code of Ethics, and review any requests for exceptions to the Company's Code of Ethics.
24. Review and update periodically the Company's Code of Ethics.

25. Review and approve all related-party transactions in accordance with the Company's Policy on Related-Party Transactions; provide on a quarterly basis a summary to the Board of all related party transactions approved during the prior quarter; inform and discuss with the independent auditor (a) the independent auditor's evaluation of the Company's identification, accounting for and disclosures of any related-party transactions and (b) any concerns any member of the Audit Committee has regarding any related-party transactions.
26. Review and update periodically the Company's Policy on Related-Party Transactions.
27. Ensure compliance with the Company's Whistleblower Policy, including the receipt, retention and treatment of complaints received by the Company or the Audit Committee regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
28. Review and update periodically the Company's Whistleblower Policy.
29. Receive reports on legal compliance and litigation matters and review the significant reports to management prepared by the internal auditors as well as management's responses thereto.
30. Conduct or authorize investigations into matters within the Audit Committee's scope of responsibilities, as deemed necessary or appropriate by the Audit Committee.
31. Engage independent legal, accounting and other advisers, as the Audit Committee determines necessary or appropriate to carry out its duties. The Audit Committee shall have sole authority to oversee such advisers' work and to approve the retention terms and related fees of such advisors, which fees shall be paid by the Company.

Reports and Self-Evaluation

32. Conduct a self-assessment of the performance of the Audit Committee's duties under this Charter as and when determined by Audit Committee, and present the results of the evaluation to the Board.
33. Review this Charter at least annually and recommend any changes to the Board.

IV. MEETINGS

The Audit Committee shall meet in person or telephonically at least four times annually, or more frequently as circumstances dictate, however, at least one such meeting shall take place in person. As part of its job to foster open communications, the Audit Committee shall meet with senior financial management, the CAE, the independent auditor and the Company's General Counsel in separate executive sessions to discuss any matters that the Audit Committee or either of these groups believe should be discussed.

Last reviewed February 2017

APPENDIX – Audit Committee Calendar and Action Program