

Lannett Audit Committee Charter

Purpose

The Audit Committee (the “Committee”) is established by the Board of Directors (the “Board”) of Lannett Company, Inc. (the “Company”) for the purpose of assisting the Board’s oversight of the:

Conformity, in all material respects, of the Company’s financial statements filed with the SEC, with generally accepted accounting principles

- Company’s systems of internal control over financial reporting
- Company’s processes for monitoring compliance with legal and regulatory requirements
- Independent Auditor’s qualifications, compensation, performance, results and independence
- Performance and results of the Company’s internal audit function

Membership

The Committee shall consist of at least three directors, all of whom shall meet the independence requirements set forth in Section 303A.02(a) of the NYSE Listed Company Manual and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Additionally, the Committee shall satisfy all other applicable requirements of Rule 10A-3 and Section 303A.07 of the NYSE Listed Company Manual. Each member of the Committee shall be financially literate, which is defined by the Committee to mean that the member has the ability to read and understand a basic set of financial statements, and at least one member shall be a “financial expert” as set forth in Item 407(d)(5)(ii) of Regulation S-K under the Exchange Act. Committee members shall be appointed by the Board and may be removed by the Board at any time. Unless the Board designates a Chairperson, the members of the Committee may elect the Chairperson. Committee members shall not serve on the audit committees of more than two other public companies.

Operation

The Committee shall meet at least quarterly, and more frequently as necessary, to fulfill its responsibilities. Members of the Committee shall be notified in advance of each meeting. The presence in person or by telephone of a majority of the members of the Committee shall constitute a quorum for the transaction of Committee business. The Committee may act outside of meetings by unanimous written consent of its members. The Chairperson has responsibility to ensure that accurate minutes of the Committee meetings are maintained and distributed in a timely manner to all members of the Board.

Authority

The Committee shall have the sole authority to retain and terminate any independent legal, financial or other advisors, as it may consider necessary to carry out its responsibilities. The Committee shall be authorized to approve the terms and fees

payable to such advisors. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, compensation to any advisers employed by the Committee and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Responsibilities

In addition to other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for the following matters:

Independent Auditor

The Committee shall be directly responsible for the annual appointment and compensation, of the Independent Auditor (including resolution of disagreements, if any, between management and the Independent Auditor regarding financial reporting) engaged for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The Independent Auditor shall report directly to the Committee. The Committee shall also review the independence and performance of the Independent Auditor annually.

Additionally, the Committee, or its Chairman, shall preapprove all non-audit services, including related fees, to be performed by the Independent Auditor.

Annually, the Committee shall ensure receipt, from the Independent Auditor of a formal written statement, in conformity with existing professional standards, delineating all services performed by the Independent Auditor (and its related entities) to the Company, as well as the Independent Auditor's view with respect to whether any services impacted its independence. The Committee shall engage in dialogue with the Independent Auditor with respect to any disclosed services or other matters that may have impacted the independence of the Independent Auditor.

The Committee shall review and approve the annual audit plan of the Independent Auditor, including the scope of audit activities, the adequacy of its budget and results during the year.

The Committee shall also receive and review a report by the Independent Auditor describing its firm's quality control procedures, any material issues raised by the most recent quality control review or by any inquiry or investigation by governmental or professional authorities within the last five years and any steps being undertaken to address such issues, if any.

The Committee shall establish hiring policies for employees or former employees of the Independent Auditor. As such, the Committee will require that any employee or former employee of the Independent Auditor who has performed any work with regard to the audit of the Company's financial statements not be hired by the Company until at least

one year has passed since the date any audit work on the Company's financial statements has been completed.

The Committee shall confirm through separate, private discussions with Management, Internal Audit and the Independent Auditor that no restrictions have been placed on the scope of the Independent Auditor's or Internal Auditor's work by Management.

Financial Statements

The Committee shall receive and review a report from the Independent Auditor on the results of the year-end audit of the Company's financial statements prior to the filing of the Company's Annual Report on Form 10-K. Such report should conform to current professional standards relating to all communications required to be made by the Independent Auditor.

The Committee shall meet with and review with Management and the Independent Auditor the Company's annual audited financial and quarterly unaudited financial statements. The review should include a discussion of critical accounting policies (and changes therein, if any) of the Company, including any financial reporting matters which could have a material impact on the Company's financial statements, as are deemed appropriate for review by the Committee. In addition to the review of the Company's quarterly unaudited and annual audited financial statements, the Committee shall review Management's Discussion and Analysis of Financial Condition and Results of Operations, with Management and the Independent Auditor prior to the filing of the Company's quarterly Forms 10-Q and Annual Report on Form 10-K.

The Committee shall conduct periodic executive sessions with the Independent Auditor, Management and Internal Audit.

Disclosures

The Committee shall prepare the disclosure required by Item 407(d)(3)(i) of Regulation S-K. As such, the Committee shall state that the Committee has reviewed and discussed with management the audited financial statements to be included in the Company's Annual Report on 10-K, discussed with the Independent Auditor the matters required to be discussed by professional standards, as periodically amended, received the written disclosures and the letter from the Independent Auditor required by professional standards, as periodically amended, and has discussed with the Independent Auditor their independence; and, based on the review and discussions described above, recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K.

Internal Controls

The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing or other matters and confidential, anonymous submissions by its employees of concerns regarding questionable accounting or auditing matters.

Additional Responsibilities

The Committee shall review and discuss the Company's earnings press releases, as well as financial information and earnings guidance to be provided to analysts and other third parties.

The Committee shall meet with Management, the Internal Auditor and the Independent Auditor and review Management's assessment and conclusion with regard to the Company's internal controls over financial reporting, and, as needed, review recommended enhancements. The Committee shall also discuss with Management, the Internal Auditor and the Independent Auditor any significant changes in internal control over financial reporting that may require disclosure in the Company's Form 10-K filing.

The Internal Audit function shall report directly to the Audit Committee. The Committee shall meet periodically with the Company's Internal Auditor to discuss the internal audit plan, responsibilities, budget and staffing of the Company's internal audit function and any issues that the Internal Auditor believes may warrant the Committee's attention. The Committee shall discuss with the Internal Auditor any significant reports to Management prepared by the internal auditor and any responses from Management. The Committee shall perform an annual assessment of the performance of the Internal Audit manager.

The Committee shall annually review and approve related party transactions involving the Company.

The Committee will annually review the Company's annual operating budget.

The Committee shall discuss the Company's policies with respect to risk assessment and risk management, including the risk of fraud. The Committee shall also discuss the Company's significant enterprise risks and the procedures Management has developed to monitor, manage and mitigate such exposures.

The Committee shall periodically review Management's processes for monitoring compliance with legal and regulatory requirements.

The Committee shall review with Management and legal counsel any significant legal or compliance matters, including the status of pending litigation that may have a material impact on the Company and any material reports or inquiries from regulatory or governmental agencies.

Self-Evaluation

The Committee shall conduct an annual performance self-evaluation.

Committee Charter

The Committee shall review and assess this Charter on an annual basis and propose changes, if necessary, to the Board for approval.

Limitations

The Committee's responsibility is one of oversight. It is the responsibility of Management to prepare the financial statements in accordance with generally accepted accounting principles applicable law and regulatory requirements and of the Company's Independent Auditor to audit those financial statements.in accordance with its professional standards. Therefore, the Committee shall be entitled to rely, to the fullest extent permitted by law, on the integrity and competence of those persons and organizations within and outside of the Company from whom it receives information.

Approved by the Board of Directors: April 23, 2014