

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 (“GAAP”)
- Company’s systems of internal control over financial reporting
- Integrity of the Company’s financial statements
- 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 Independent Auditor and internal audit function
- Company risks, including enterprise risk assessments, analysis and mitigation efforts

In fulfilling its purpose, the Committee is responsible for maintaining free and open communication between itself and the Independent Auditor, Internal Audit function and Management of the Company, and for determining that all parties are aware of their responsibilities.

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 as determined by the Board in its business judgment. Committee members shall be appointed by the Board based on recommendations from the Governance and Nominating Committee and may be removed by the Board at any time with or without cause. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. 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 agenda and materials for Committee meetings will be prepared by the Committee Chairperson in consultation with other Committee members, the chief financial officer, the head of internal audit and the Independent Auditor. 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. The Committee shall

report regularly to the Board regarding its discussions and actions. The Committee shall make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), waiver of notice, and voting requirements as are applicable to the Board.

Authority

The Committee shall have the sole authority to retain and terminate any independent auditor, outside legal counsel, financial advisor or such other advisors as it may consider necessary to carry out its responsibilities. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of the independent auditor, outside legal counsel, financial advisor or other adviser, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter. The Committee shall be authorized to approve the terms and fees payable to, and oversee the work of, such advisors. Any communications between the Committee and its outside legal counsel will be privileged communications.

Funding

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 outside legal counsel, financial adviser or other advisers employed by the Committee and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Onboarding / Education

The Company will provide new members of the Committee with appropriate onboarding briefings, and the full Committee with educational resources and opportunities related to accounting principles and procedures, current accounting topics pertinent to the Company and other matters as may be appropriate or requested by the Committee.

Delegation of Authority

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion, provided that decisions of such subcommittees to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

Books and Records

The Committee will have access to the Company's books, records, facilities and personnel.

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 (1) 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, (2) setting the compensation of the Company's Independent Auditor, (3) approving all audit engagement fees and terms, (4) overseeing the work done by the Company's Independent Auditor, and (5) terminating the Company's Independent Auditor, if necessary. The Independent Auditor shall report directly to the Committee. The Committee shall also review the qualifications, independence and performance of the Independent Auditor annually, including an evaluation of the last audit portion, taking into account the opinions of management.

Pre-Approval

Additionally, the Committee, or its Chairperson, shall preapprove all audit and permitted non-audit and tax services services, including related fees, to be performed by the Independent Auditor and establish policies and procedures for the Committee's pre-approval of permitted services in compliance with applicable SEC rules and review such pre-approval policies at least quarterly.

Auditor Independence

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.

Audit Plan

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.

Quality Control Report

The Committee shall at least annually also receive and review a report by the Independent Auditor describing (1) its firm's internal quality control procedures, (2) any material issues raised by the most recent internal quality control review, peer review, or Public Company Accounting Oversight Board review or inspection of the firm or by any inquiry or investigation by governmental or professional authorities within the last five years regarding one or more audits carried out by the Independent Auditor and any steps being undertaken to address such issues, if any, and (3) all relationships between the Independent Auditor and the Company or any of its subsidiaries in order to assess the Independent Auditor's independence.

Hiring Former Auditors

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.

Scope of Audit

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.

Audit

The Committee shall review and discuss with the Company's Independent Auditor (1) the auditor's responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process, (2) the overall audit strategy, planning and staffing, (3) the scope and timing of the annual audit, (4) any significant risks identified during the Independent Auditor's risk assessment procedures, (5) any critical audit matter (CAM) identified by the Independent Auditor and (6) when completed, the results, including significant findings, of the annual audit.

Audit Problems

The Committee shall review and discuss with the Company's Independent Auditor and Management (1) any audit problems or difficulties, including difficulties encountered by the Company's Independent Auditor or Internal Audit department during their audit work (such as restrictions on the scope of their activities or their access of information), (2) any significant disagreements with management and (3) management's response to these problems, difficulties or disagreements. The Committee shall also resolve any disagreements between the Company's Independent Auditor or Internal Audit department and Management.

Annual and Quarterly 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.

Financial Statements Issues

The Committee shall review with Management and the Company's Independent Auditor: (1) any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; (2) analyses prepared by Management setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative GAAP methods on the Company's financial statements; (3) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements; (4) consideration of the judgment of both

Management and the Independent Auditor about the quality, not just the acceptability, of accounting principles; and (5) the completeness and clarity of the disclosures in the financial statements.

Auditor National Office

The Committee shall discuss with the Independent Auditor material issues on which the national office of the Independent Auditor was consulted by the Company's audit team.

Auditor Communications

The Committee shall review and discuss with the Company's Independent Auditor (1) all critical accounting policies and practices to be used; (2) all alternative treatments of financial information within GAAP that have been discussed with Management, the ramifications of the use of such alternative treatments and the treatment preferred by the Independent Auditor; and (3) other material written communications between the Independent Auditor and Management, such as any management letter or schedule of unadjusted differences.

The Committee shall conduct periodic executive sessions with the Independent Auditor, Management and Internal Audit. However, the Committee shall meet regularly without such individuals present.

Disclosures

The Committee shall prepare the audit committee report required by Item 407(d)(3)(i) of Regulation S-K to be included in the Company's proxy statement and review the disclosure in the Company's proxy statement regarding the Committee. 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.

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.

Earnings Releases

The Committee shall review and discuss: (1) the Company's earnings press releases, including the type of information to be included and its presentation and the use of any pro forma, adjusted or other non-GAAP financial information; as well as (2) any financial information and earnings guidance to be provided to analysts, ratings agencies, and other third parties, including the type of information to be disclosed and type of presentation to be made. Such discussions may be general (consisting of discussing the types of information to be disclosed and the types of presentations to be made), provided that each earnings release or each instance in which the Company provides earnings guidance need not be discussed in advance.

Internal Controls

The Committee shall meet with Management, the Internal Auditor and the Independent Auditor and review Management's assessment and conclusion with regard to the adequacy and effectiveness of, and, as needed, recommended enhancements to, the Company's internal control over financial reporting and disclosure controls and procedures, including any significant deficiencies, material weaknesses or other major issues in the design or operation of the Company's controls, any special audit steps adopted in light of any material control deficiencies, and any fraud involving management or other employees with a significant role in such controls. 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 or Form 10-Q filing, as applicable.

Auditor Rotation

The Committee shall assure the regular rotation of the lead audit partner at the Company's Independent Auditor as required by law and consider regular rotation of the accounting firm serving as the Company's Independent Auditor. The Committee shall present its conclusions with respect to the Independent Auditor to the Board.

Code of Ethics

The Committee shall monitor compliance with the Company's Code of Ethics (the "Code"), to investigate any alleged breach or violation of the Code, and enforce the provisions of the Code.

Internal Audit

The Internal Audit function shall report directly to the Committee. The Internal Audit function may be outsourced to a reputable firm, approved by the Committee. The Committee shall meet periodically with the Company's Internal Auditor to discuss the internal audit plan, results of any internal audits, and responsibilities, purpose, authority, organization, 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 review and approve the hiring, dismissal, and compensation, and perform an annual assessment of the performance, of the Internal Audit manager.

Related Party Transactions

The Committee shall (1) review, approve and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) on an ongoing basis, in accordance with Company policies and procedures ; (2) keep the Company's Independent Auditor informed of the Committee's understanding of the Company's relationships and transactions with related parties that are significant to the Company and whether any of the Committee has concerns regarding relationships or transactions with related persons and, if so, the substance of those concerns; and (3) review and discuss with the Company's Independent Auditor the independent auditor's evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties.

Operating Budget

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

Risk Oversight

The Committee shall discuss and oversee the Company's policies with respect to risk assessment and risk management, including the risk of fraud, major financial risk exposures, and cybersecurity risks. The Committee shall also discuss and oversee the Company's significant risks, inventory, enterprise risks, and the procedures Management has developed to monitor, manage and mitigate such exposures. The Company's Chief Compliance Officer shall provide an annual risk report to the Committee summarizing the current state of the Company's risk assessment, management and mitigation efforts.

Legal Compliance

The Committee shall periodically review Management's processes for promoting and monitoring compliance with legal and regulatory requirements. The Committee shall review with Management, the General Counsel, and outside 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.

Tax Planning

The Committee shall review with Management the Company's policies and processes for tax planning and compliance.

Self-Evaluation

The Committee shall conduct an annual performance self-evaluation, and make a report to the Board.

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, to determine that they are complete, accurate, and in accordance with GAAP, applicable law and regulatory requirements, and to establish satisfactory disclosure controls and internal control over financial reporting. The Company's independent auditor is responsible for auditing those financial statements and the effectiveness of the Company's internal control over financial reporting in accordance with its professional standards. The Company's internal and outside counsel are responsible for assuring compliance with laws and regulations and the Company's corporate governance policies. 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: February 21, 2022