

**KING PHARMACEUTICALS, INC.
AUDIT COMMITTEE CHARTER**

*As adopted by
the Board of Directors
on March 11, 2004
and last amended on July 29, 2009*

Mission Statement

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of King Pharmaceuticals, Inc. (together with its subsidiaries, the “Company”) is to assist the Board in fulfilling its responsibility to oversee (i) management’s conduct of the Company’s financial reporting process (including the development and maintenance of systems of internal accounting and financial controls), (ii) the integrity of the Company’s financial statements, (iii) the Company’s compliance with legal and regulatory requirements, (iv) the qualifications and independence of the Company’s outside auditors, (v) the performance of the Company’s internal audit function and (vi) each audit of the Company’s financial statements performed by the Company’s outside auditors.

Membership

The Committee shall consist of no fewer than three members of the Board. All members of the Committee shall be independent directors, as independence is defined in accordance with the rules, regulations and standards of the New York Stock Exchange, Inc. (“NYSE”). Each member of the Committee shall be financially literate, and at least one member of the Committee shall be an “audit committee financial expert,” as such term is defined by the Securities Exchange Act of 1934 and the rules and regulations related thereto. Such literacy and expertise shall be determined by the Board in its business judgment.

The Board, by resolution of a majority of the directors, shall appoint the members of the Committee. Each member shall be appointed annually at the Board meeting immediately following the annual shareholder meeting. Members shall serve on the Committee for such period as the Board may determine and no member of the Committee may be removed other than by the affirmative vote of a majority of the directors. The members of the Committee shall serve until their resignation, retirement or removal by the Board or until their terms expire (but then only at such time as qualified successors shall have been appointed). Nominees for Committee membership shall be recommended to the Board by the Nominating and Corporate Governance Committee.

Committee Authority and Responsibilities

The Company's management is responsible for preparing the Company's financial statements and, in conjunction with the Corporate Compliance Officer, for developing and maintaining systems of internal accounting and financial controls. The outside auditors are responsible for auditing the Company's financial statements, and for issuing an opinion related thereto, in accordance with applicable professional standards.

The Committee's principal function is oversight, and the efforts of its members do not constitute (i) expert or special assurance with regard to the Company's financial statements or internal controls or (ii) professional certification as to the work of the outside auditors.

The Committee shall undertake the following activities in carrying out its oversight responsibilities:

Oversight of Company's Relationship with Outside Auditors

- The Committee shall be solely responsible for the retention, compensation, termination and oversight of the work of the Company's outside auditors for the purpose of preparing or issuing an audit report or related work. The Company's outside auditors shall report directly to the Committee.
- The Committee shall, at least annually, pre-approve auditing services (including comfort letters and statutory audits) and non-auditing services rendered to the Company by its outside auditors. Pre-approval of non-auditing services may be accomplished by the Committee's adoption of one or more policies which identify with specificity the services which may be provided by the outside auditors. The Committee shall evaluate and approve any such policy at least annually.
- The Committee shall establish and maintain hiring policies with respect to employees or former employees of the outside auditors. These policies shall provide, at a minimum, that employees or former employees of the outside auditors shall not become employees of the Company for at least one year following the end of their employment by the outside auditors.
- The Committee shall make determinations regarding the payment of the Company's outside auditors and any other advisors retained by the Committee.

Reviews of and Reports from Outside Auditors

- The Committee shall receive from the outside auditors, at least annually, a written report describing, to the extent permitted under applicable auditing standards: (a) the outside auditors' internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the outside auditors, 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 outside auditors, and any steps taken to deal with any such issues; and (c) (to assess the outside auditors' independence) all relationships between the outside auditors and the Company, including the matters covered by applicable requirements of the Public Company Accounting Oversight Board.

- The Committee shall take appropriate action in response to the outside auditors' report to satisfy itself of the auditors' independence.
- The Committee shall receive from the Company's outside auditors timely reports concerning:
 - all critical accounting policies and practices;
 - all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of the Company, the ramifications of the use of such alternative treatments and the treatment preferred by the outside auditors; and
 - other material written communications between the outside auditors and the management of the Company (such as any management letter or schedule of unadjusted differences).
- After reviewing the outside auditor's reports and work throughout the year, the Committee shall evaluate the outside auditors' qualifications, performance and independence. This evaluation should include the review and evaluation of the lead partner of the outside auditors. In making its evaluation, the Committee should take into account the opinions of management and the Company's internal auditors (or other personnel responsible for the internal audit function). The Committee should further consider whether, in order to assure the continuing independence of the outside auditors, there should be regular rotation of the lead audit partner, or of the outside audit firm.
- The Committee shall periodically, and not less than once per year, review with the outside auditors any audit problems or difficulties and management's response. The Committee shall be responsible for the resolution of disagreements between the Company's management and the outside auditors regarding financial reporting.
- The Committee shall review and discuss with the outside auditors any relationships or services that may impact the objectivity and independence of the outside auditors.

Required Annual Audit Committee Review and Reports

- The Committee shall review and reassess the adequacy of this Charter on an annual basis and shall make recommendations to the Board, as conditions dictate, to update this Charter.
- The Committee shall annually review the performance of the Committee and report to the Board the results of this review. This review shall be conducted in such manner as the Committee deems appropriate.
- The Committee shall prepare the report of the audit committee required by the rules of the SEC to be included in the Company's annual proxy statement.

Required Periodic Company and Board Reviews and Reports

- The Committee shall meet regularly (and, in any event, no less than quarterly) with (a) the management of the Company, (b) the Chief Financial Officer, without other management present, (c) the Chief Compliance Officer, without other management present, and (d) the outside auditors, without management present.
- The Committee shall timely review all materials received from the outside auditors and provide a summary report of such materials to the Board and executives and management of the Company, if such summary is deemed necessary or advisable by the Committee.
- The Committee shall regularly, and not less than once per year, discuss with management, the Corporate Compliance Officer and the outside auditors the quality and adequacy of the Company's internal controls and disclosure controls, and shall recommend to the Board any changes that are deemed necessary or advisable.
- The Committee shall regularly, and not less than once per year, receive a report on legal compliance matters from the Corporate Compliance Officer, without other management present.
- The Committee shall regularly, and not less than once per year, discuss with management and the outside auditors the Company's policies with respect to the Company's major financial reporting risk exposures and the steps management has taken to monitor and control these exposures.
- The Committee shall establish and maintain procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and/or auditing matters and shall establish and maintain procedures for confidential, anonymous submissions by Company employees regarding questionable accounting or auditing matters.

Review of Financial Statements and Press Releases

- The Committee shall review and discuss with management and the outside auditors (a) the audited financial statements to be included in the Company's Annual Report on Form 10-K (or the Annual Report to Shareholders if distributed prior to the filing of Form 10-K), (b) the quarterly financial statements to be included in the Company's Quarterly Report on Form 10-Q and (c) the Company's disclosures in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of Forms 10-K and 10-Q.
- In connection with the annual audit and the review by the outside auditors of the financial information included in the Company's Quarterly Reports on Form 10-Q, the Committee shall, prior to the release of earnings or the filing of the Form 10-K or Form 10-Q, as applicable, discuss with the outside auditors the matters required to be discussed by SAS No. 61, as amended or supplemented.

- Based on these reviews and discussions, the Committee shall determine whether to recommend to the Board that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K.
- The Committee shall discuss earnings press releases, as well as financial information and earnings guidance provided to analysts or rating agencies and, to the extent reasonably practicable, review all such information prior to the distribution or release thereof.

Corporate Compliance Officer

- The Corporate Compliance Officer shall have direct access to the Committee, and may be terminated by the Chief Executive Officer only with the consent of a majority of all Committee members.
- The Committee shall review and approve a written charter for the Compliance Office. The Committee shall periodically, and not less than once per year, receive from the Corporate Compliance Officer, review and approve a plan of work for the Compliance Office.
- The Corporate Compliance Officer shall report regularly to the Committee regarding the activities of the Compliance Office and shall affirmatively report to the Committee (i) any allegations regarding accounting, internal auditing controls or auditing matters, or (ii) any serious and substantial compliance issue.

Internal Audit

- The Corporate Compliance Officer shall appoint an Internal Auditor who will report to the Audit Committee at least twice per year, and shall monitor the Company's internal control environment, revenue and expense recognition practices and its accounting practices.
- The Internal Auditor shall be responsible for devising an Internal Audit Plan for each fiscal year which will be presented to the Audit Committee. The Internal Audit Plan shall include an assessment of the internal controls environment in order to ensure that appropriate financial reporting procedures are in place and being followed by the Company's employees.
- The Company shall be subject to an internal audit review each year. A written report shall be prepared for each internal audit performed describing the internal audit's findings, opinions and recommendations, if any. These written reports shall be directed to the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, the independent directors and the Committee for their review. If King's management or the Board determines that remedial action is necessary, such remedial action shall be taken.

General

- The Committee shall take the necessary steps, on an as-needed basis, to comply with all applicable laws, rules and regulations promulgated by the Securities and Exchange Commission, NYSE and any other governmental entity or governing regulatory authority regarding the matters set forth in this Charter.
- The Committee shall perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to any of the matters set forth in this Charter.

Committee Structure and Operations

The Board, by resolution of a majority of the non-employee directors, shall designate one member of the Committee to act as the chairperson of the Committee. The Committee member so designated shall chair all meetings of the Committee and perform such other activities as from time to time are requested by the Board or as circumstances dictate. The Committee shall meet in person or telephonically at least four times a year at such times and places as are determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee, its chairperson or the Board. The Committee may fix its own rules of procedure, which shall be consistent with the bylaws of the Company and this Charter. A majority of the Committee shall constitute a quorum. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company. The meeting minutes will be reviewed and approved by the Committee and presented to the Board at its next regular meeting.

The Committee shall establish subcommittees as it shall determine necessary. Subcommittees shall be composed only of members of the Committee and shall regularly report to the Committee concerning their activities. No subcommittee shall exercise any authority of the Committee if such authority is required, by this Charter, by law or otherwise, to be exercised by a greater number of Committee members than serve on the subcommittee.

The Committee may invite such members of management of the Company to its meetings as it may deem desirable or appropriate.

Compensation

No member of the Committee may receive, directly or indirectly, any compensation from the Company other than (i) fees paid to directors for service on the Board, (ii) fees paid to directors for service on a committee of the Board (including the Committee) and (iii) other deferred compensation for prior service that is not contingent on future service on the Board.

Retention of Consultants and Advisors

The Committee shall have sole authority to retain and terminate any audit or accounting consultant to be used to assist in the performance of its duties and shall have sole authority to approve the consultant's fees and other retention terms. The Committee may also conduct or authorize investigations into or studies of matters within the scope of the Committee's duties and responsibilities. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors. Fees and expenses incurred in connection with the Committee's performance of its duties and obligations shall be paid by the Company. The Committee chairperson shall notify the Chief Financial Officer of the Company of any anticipated expenses as soon as reasonably practicable.