

BRADLEY PHARMACEUTICALS, INC.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS (as amended through April 23, 2004)

Organization

The Audit Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of Bradley Pharmaceuticals, Inc. (“the Company”). The Committee shall consist of not less than three (3) directors appointed by the Board and each shall meet the independence requirements of the New York Stock Exchange, Inc. (the “NYSE”). Each member of the Committee shall, in the judgment of the Board, have the ability to read and understand the Company’s basic financial statements or shall undertake training for that purpose. At least one member of the Committee shall, in the judgment of the Board, be an audit committee financial expert in accordance with the rules and regulations of the Securities and Exchange Commission and at least one member of the Committee (who may also serve as the audit committee financial expert) shall, in the judgment of the Board, have accounting or related financial management expertise in accordance with the rules and regulations of the NYSE. This charter governs the operations of the Committee.

Statement of Policy

The Committee shall assist the Board in fulfilling the Board’s responsibility to the stockholders, potential stockholders, and investment community relating to the oversight of (i) the integrity of the Company’s financial statements; (ii) the independent auditor’s qualifications and independence; (iii) the performance of the Company’s internal audit function and independent auditors; and (iv) the compliance by the Company with legal and regulatory requirements. In so doing, it is the responsibility of the Committee to maintain free and open means of communications between the Board, the independent auditors, and the management of the Company. In discharging its responsibilities, the Committee is empowered to investigate any matters brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside counsel, or other experts for this purpose.

Responsibilities and Processes

The primary responsibility of the Committee is to oversee the Company’s financial reporting process on behalf of the Board and report the results of their activities to the Board. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or determine that the Company’s financial statements are complete and accurate and are in accordance with

generally accepted accounting principles. Management is responsible for preparing the Company's financial statements, and the independent auditor is responsible for auditing those financial statements.

In carrying out its responsibilities, the Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure to the Board and stockholders that the corporate accounting and reporting practices of the Company are in accordance with all requirements and are of the highest quality.

In carrying out these responsibilities, the Committee shall:

- Select, retain, oversee and, where appropriate, terminate the independent auditor, set the independent auditor's compensation, and resolve disagreements between management and the independent auditor regarding financial reporting.
- Receive and review, on an annual basis, a report from the independent auditor describing (i) the independent auditor's internal quality control procedures; (ii) any material issues raised by the most recent internal quality control review, or peer review, of the firm, 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; (iii) any steps taken to deal with any such issues; and (iv) all relationships between the independent auditor and the Company.
- Discuss with the auditors their independence from management and the Company, including matters in the written disclosures required by the Independence Standards Board, and shall consider the compatibility of nonaudit services with the auditors' independence.
- The Committee shall pre-approve all audit and non-audit services (subject to any applicable de minimis or other exception provided by applicable law, rule or regulation, and to applicable pre-approval policies established by the Committee, which may include delegation of approval authority).
- Meet separately, periodically, with the independent auditors, management and internal auditors of the Company to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and at the conclusion thereof review the results of such audit, including (i) any comments or recommendations of the independent auditors; and (ii) any audit problems or difficulties and management's response.
- Review with the independent auditors, and financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the Company, and solicit any recommendations for the improvement of such internal control procedures or particular areas where

new or more detailed control or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper. Further, the Committee periodically should review company policy statements to determine their adherence to internal policies and procedures.

- Review the proposed audit plans for the coming year, and the coordination of such plans with the independent auditors.
- Discuss the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
- Discuss Company policies with respect to risk assessment and risk management, and review contingent liabilities and risks that may be material to the Company and major legislative and regulatory developments which could materially impact the Company's contingent liabilities and risks.
- Provide sufficient opportunity for the independent auditors to meet with the members of the Committee without members of management present. Among the items to be discussed in these meetings are the independent auditor's evaluation of the Company's financial and accounting auditing personnel, and the cooperation that the independent auditors received during the course of the audit.
- Discuss with management and the independent auditors the financial statements to be included in the Company's Annual 10-K (or the annual report to stockholders if distributed prior to the filing of Form 10-K), including their judgment about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Also, the Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards.
- Discuss the interim financial statements with management and the independent auditors prior to the filing of the Company's Quarterly Report on Form 10-Q, including their judgment about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards. The

chair of the Committee may represent the entire Committee for the purposes of this review.

- Review, at least annually, the scope and results of the internal audit program, including then current and future programs of the Company's internal auditor(s), procedures for implementing accepted recommendations made by the independent auditor, and any significant matters contained in reports from the internal auditor(s).
- Review accounting and financial human resources within the Company.
- Comply with all applicable regulatory bodies that dictate requirements of Committees of the Board.
- Establish procedures for the confidential and anonymous receipt, retention and treatment of complaints regarding the Company's accounting, internal controls and auditing matters.
- Establish policies for the hiring of employees and former employees of the independent auditor.

Reports

- The Committee shall regularly report to the Board or submit the minutes of Committee meetings to the Board.
- The Committee shall annually prepare a report for inclusion in the Company's proxy statement.
- The Committee shall annually evaluate its performance and the adequacy of this Charter.

Meetings

The Committee shall meet at least four (4) times each year and at such other times as it deems necessary to fulfill its responsibilities.