

IVAX CORPORATION

AUDIT COMMITTEE CHARTER

I. Purpose

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the quality and integrity of the Corporation's financial reports; the Corporation's systems of internal controls regarding finance and accounting; and the Corporation's auditing, accounting and financial reporting processes generally. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation's financial reporting process and internal control system.
- Review and appraise the audit efforts of the Corporation's independent accountants and internal auditing function.
- Provide an open avenue of communication among the independent accountants, financial and senior management, the internal auditing function, and the Board of Directors.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section III of this Charter.

II. Composition

The Committee shall be composed of three or more directors, each of whom shall be independent directors, and free from any relationship that, in the opinion of the Board, may interfere with the exercise of his or her independent judgment as a member of the Committee or independence from management and the Corporation. The Chairman of the Audit Committee must be financially sophisticated. All members of the Committee shall be financially literate, as this qualification is interpreted by the Board, at the time of their appointment. The Board shall determine whether at least one member of the Committee qualifies as an "audit committee financial expert" in compliance with the criteria established by the SEC and other relevant regulations. The existence of such member, including his or her name and whether or not he or she is independent, shall be disclosed in periodic filings as required by the SEC.

III. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1.1 Review Financial Reports

1. Review the following with management and the independent accountants:
 - a) the Corporation's annual financial statements, the accountants' report thereon and related disclosures contained in the Form 10-K, including the Corporation's disclosure under Management's Discussion and Analysis of Financial Condition and Results of Operations (including quality of financial reporting decisions and judgments);
 - b) the audit of the annual financial statements and the independent accountants' report thereon;
 - c) any significant changes required in the independent accountants' audit plan;
 - d) any significant difficulties or disputes encountered during the audit;
 - e) critical accounting policies' disclosure for inclusion in the Form 10-K; and
 - f) recommend to the Board of Directors that the audited annual financial statements be included in the Corporation's Form 10-K.

2. Review with management and the independent accountants the interim financial statements prior to filing the 10-Q and publicly releasing quarterly earnings. The Chair of the Committee may represent the entire Committee for purpose of this review.

1.2 Independent Accountants

3. Exclusively appoint the independent accountants to audit the financial statements of the Corporation and its divisions and subsidiaries. Supervise the work of the independent accountants and resolve any disagreements between management and the independent accountants. Meet with the independent accountants and financial management of the Corporation 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 such audit, including any comments or recommendations of the independent accountants. The independent auditors shall be ultimately accountable to the Committee and the Board, as representatives of the shareholders.
4. Approve in advance, all auditing services to be provided by the independent accountants. Determine the amount of compensation to be paid to the independent accountants for such auditing services.
5. Approve, in advance, any non-audit services to be provided by the independent accountants and the fees.
6. Evaluate the performance of the independent accountants; and where appropriate, replace the independent accountants.
7. On an annual basis, obtain from the Corporation's independent public accountants written disclosure delineating all relationships between such accountants and the Corporation and its affiliates, including the written disclosure and letter required by Independence Standards Board (ISB) Standard No. 1, as it may be modified or supplemented.
8. Receive and review timely reports from the independent accountants regarding: (i) all critical accounting policies and practices to be used; (ii) all alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Corporation, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent accountants; and (iii) other material written communications between the independent accountants and the management of the Corporation, such as any management letter or schedule of unadjusted differences.
9. Periodically discuss with the independent accountants out of the presence of management the Corporation's internal controls, including their recommendations, if any, for improvements in the Corporation's internal controls and the implementations of such recommendations, the fullness and accuracy of the Corporation's financial statements and certain other matters required to be discussed by Statement on Auditing Standards No. 61 (SAS 61) *, as it may be modified.

1.3 Reviewing and Improving Process

10. Hold regular meetings on at least a quarterly basis and as otherwise may be necessary, and hold special meetings as may be called by the Chairman of the Audit Committee or at the request of the independent accountants.
11. As part of its job to foster open communication, the Committee should meet at least annually with the Corporation's management, the Corporation's directors of corporate audit and the independent accountants in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed confidentially.

12. In consultation with the independent accountants and the internal auditors, review the integrity and quality of the organization's financial reporting processes, both internal and external, and the independent accountant's perception of the Corporation's financial and accounting personnel.
13. On a quarterly basis, discuss the following with management and the independent accountants, if applicable:
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Corporation's ability to record, process, summarize and report financial data and any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls.
14. Consider the independent accountant's judgments about the quality and appropriateness of the Corporation's accounting principles as applied and significant judgments affecting its financial reporting.
15. Consider and recommend to the Board of Directors, if appropriate, major changes to the Corporation's financial reporting, auditing and accounting principles and practices as suggested by the independent accountants, management, or the internal auditing function.
16. Review and approve all of the Corporation's related party transactions.
17. Ensure the rotation of lead, concurring and audit partners and observance of the applicable time-out periods as required by Section 203 of the Sarbanes-Oxley Act and SEC Release No. 33-8183.
18. Establish procedures for: (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
19. Hire independent advisors and counsel as the Audit Committee may, in its discretion, determine to be necessary to carry out its duties.

1.4 Ethical and Legal Compliance

20. Review the adequacy and appropriateness of:
 - a) The Corporation's Code of Conduct.
 - b) The Corporation's financial statements, reports and other financial information disseminated to the Securities Exchange Commission and the public.
 - c) Legal compliance matters including corporate securities trading policies and any legal matter that could have a significant impact on the Corporation's financial statements
 - d) Policies with respect to risk assessment and risk management, including the Corporation's major financial and accounting risk exposures and the steps management has undertaken to control them.
21. Prepare Audit Committee Report for inclusion in the Corporation's annual proxy statement.

1.5 Internal Audit

22. Review and advise on the selection and removal of the internal audit director.
23. Review activities, organizational structure, and qualifications of the internal audit function.

24. Periodically review with the internal audit director any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the function's work.
25. Periodically review with the internal audit director, the budget, staffing, and the responsibilities of the internal audit function.

1.6 Other

26. Review the powers and duties of the Audit Committee and report and make recommendations to the Board of Directors on these responsibilities.
27. Submit the minutes of all meetings of the Audit Committee to, or discuss the matters discussed at each Audit Committee meeting with, the Board of Directors.
28. Review and, if appropriate, recommend updates of this Charter to the Board of Directors annually.
29. Perform any other activities consistent with this Charter, the Corporation's By-laws and applicable law, as the Committee or the Board deems necessary or appropriate.

LIMITATION OF AUDIT COMMITTEE'S ROLE

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditors or to assure compliance with laws and regulations and the Corporation's Code of Conduct. In carrying out its responsibilities, the Committee's policies and procedures must remain flexible to enable the Committee to react to changing conditions and circumstances. The duties and responsibilities set forth above are intended to serve as a guide with the understanding that the Committee may supplement or diverge from them as appropriate.

* SAS 61 requires independent auditors to communicate certain matters related to the conduct of an audit to those who have responsibility for oversight of the financial reporting process, specifically the Audit Committee. Among the matters to be communicated to the Audit Committee are: (1) methods used to account for significant unusual transactions; (2) the effect of authoritative guidance or consensus; (3) the process used by management in formulating particularly sensitive accounting estimates and the basis for the accountant's conclusions regarding the reasonableness of those estimates; and (4) disagreements with management over the application of accounting principles, the basis for management's accounting estimates, and the disclosures in the financial statements.