

Adopted at November 4, 2002 Board Meeting

ANDRX CORPORATION (the "Company")
COMPENSATION COMMITTEE CHARTER

Purpose

The purpose of the Compensation Committee (the "Committee") shall be as follows:

1. The Committee is appointed by and acts on behalf of the Board of Directors ("Board"). It is responsible for reviewing, approving and reporting to the Board on major compensation plans, policies and programs of the company. The Committee approves the compensation of company's directors, executive officers and certain senior executives and oversees all compensation programs involving the use of the company's stock; and
2. To produce an annual report on executive compensation for inclusion in the Company's annual proxy statement in accordance with applicable rules and regulations of the NASDAQ Stock Market, Securities and Exchange Commission (the "SEC"), and other regulatory bodies.

Composition

The Committee shall consist of two or more members of the Board of Directors, each of whom is determined by the Board of Directors to be "independent" under the rules of the NASDAQ Stock Market and the Sarbanes-Oxley Act. At least one member of the Committee shall have experience in matters relating to executive compensation either as a professional or as a business executive.

No director may serve unless that director (1) is a "Non-employee Director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (2) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code.

Appointment and Removal

The members of the Committee shall be appointed by the Board of Directors and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

Chairman

Unless a Chairman is elected by the full Board of Directors, the members of the Committee shall designate a Chairman by majority vote of the full Committee membership. The

Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

Delegation to Subcommittees

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee. Subcommittees must contain at least one independent director.

Meetings

The Committee shall meet as frequently as circumstances dictate. The Chairman of the Board or any member of the Committee may call meetings of the Committee.

As part of its review and establishment of the performance criteria and compensation of designated key executives, the Committee should meet separately at least on an annual basis with the CEO and any other corporate officers as it deems appropriate. However, the Committee should also meet from time to time without such officers present, and in all cases, such officers shall not be present at meetings at which their performance and compensation are being discussed and determined. Meetings of the Committee may be held telephonically. The CEO may be present, in the discretion of the Committee, at meetings in which the compensation of other executive officers is approved.

All non-management directors who are not members of the committee may attend meetings of the Committee, but may not vote. In addition, the Committee may invite to its meetings any director, member of management of the Company, and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

Duties and Responsibilities

The Committee shall carry out the duties and responsibilities set forth below. These functions should serve as a guide with the understanding that the Committee may determine to carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal, or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee outlined in this Charter.

In discharging its oversight role, the Committee is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain, without seeking Board approval, outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.

Setting Compensation for Executive Officers and Directors

1. Establish and review the overall compensation philosophy and strategy of the Company.

2. Annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and recommend to the Board the CEO's compensation levels based on this evaluation. In determining the annual and long-term incentive components of CEO compensation, the Committee will consider the Company's performance against objectives and relative stockholder return, the value of similar incentive awards to CEOs at peer group companies, and the awards given to the CEO in past years.
3. Review and approve the recommendations of the CEO for the compensation of other executive officers of the Company.
4. In connection with executive compensation programs:
 - (a) review and recommend to the full Board of Directors, or approve, new executive compensation programs;
 - (b) review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purposes;
 - (c) take steps to modify any executive compensation program that results in or is likely to result in payments and benefits that are not reasonably related to executive and corporate performance and/or not otherwise necessary to implement corporate objectives.
5. Establish and periodically review policies in the area of senior management perquisites.
6. Review compensation of directors as well as directors' and officers' indemnification and insurance matters and make recommendations to the full Board of Directors.
7. Review any contracts or other transactions with current or former executive officers of the Company, including consulting arrangements, employment contracts, change-in-control, severance, or termination arrangements, and loans to employees made or guaranteed by the Company (prior to enactment of the Sarbanes-Oxley Act) and approve or make recommendations to the full Board of Directors.

Monitoring Incentive and Equity-Based Compensation Plans

1. Review and make recommendations to the Board of Directors with respect to the Company's incentive compensation plans and equity-based plans.
2. Review and approve all equity compensation plans of the Company.
3. Review and approve all awards of shares or share options pursuant to the Company's equity-based plans.
4. Review and approve changes to employee pension and profit sharing plans.

5. Select, retain, and/or replace, as needed, compensation and benefits consultants and other outside consultants to provide independent advice to the Committee. In that connection, in the event the Committee retains a compensation consultant, the Committee shall have the sole authority to approve such consultant's fees and other terms.

Reports and Evaluation

1. Prepare an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations of the NASDAQ, SEC, and other applicable regulatory bodies.
2. The Committee shall, on an annual basis, evaluate its own performance.
3. Report regularly to the Board of Directors with respect to matters that are relevant to the Committee's discharge of its responsibilities and with respect to such recommendations as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chairman or any other member of the Committee designated by the Committee to make such report.
4. Maintain minutes or other records of meetings and activities of the Committee.

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