

K-V PHARMACEUTICAL COMPANY
CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS

AS ADOPTED BY THE BOARD OF DIRECTORS
ON JUNE 24, 2011

This Charter documents the purpose, authority, composition and responsibilities of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of K-V Pharmaceutical Company (the "Company"). This Charter shall be published on the Company's Internet website and shall otherwise be filed or reported from time to time as may be required by applicable law or rules of the New York Stock Exchange ("NYSE").

I. Purpose and Authority

The principal purposes of the Committee are to:

- Assist Board oversight of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent external auditor's qualifications and independence, and (4) the performance of the Company's internal audit function and independent external auditor;
- Prepare an audit committee report as required by the proxy rules of the Securities and Exchange Commission (the "SEC") to be included in the Company's annual meeting proxy statement; and
- Assist the Board with respect to such other functions as set forth in this Charter, as may be delegated by the Board to the Committee from time to time, or as may be required by law or rules of the NYSE.

The Committee shall be empowered to retain and obtain advice and assistance from outside legal, accounting or other advisors and experts as the Committee deems necessary or appropriate to carry out its duties and responsibilities. The Committee also is empowered to retain and compensate any and all of these advisors (including the independent external auditor) without seeking Board approval. The Committee shall receive appropriate funding, as determined by the Committee, from the Company for the payment of compensation to the independent external auditor engaged for the purpose of rendering or issuing an audit report or performing other audit, review or attest services, as well as any outside legal, accounting or other advisors and experts employed by the Committee, and for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities. The Committee may rely for administrative support and background information regarding the matters for which the Committee is responsible on appropriate personnel of the Company. The Committee may ask members of management or others to attend its meetings and provide pertinent information as necessary.

The scope of authority delegated to the Committee in this Charter shall include the power and authority to engage in other activities that are within the general scope of the Committee's duties and responsibilities, with full access to all books and records, facilities, personnel and outside advisors of the Company (as and to the extent permitted by and consistent with applicable law). Consistent with the foregoing, the Committee shall have the power and authority to conduct or authorize investigations into any matters within the Committee's scope of responsibilities.

II. Composition, Qualifications and Meetings

Composition.

- The Committee shall be comprised of at least three members of the Board as determined from time to time by the Board, one of whom shall serve as Chair of the Committee.
- Committee members shall be appointed by the Board and shall serve until such member's successor is appointed and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, at any time by the Board. Any member of the Committee may resign at any time by giving written notice of his or her resignation to the Board.

Qualifications.

- The members of the Committee shall meet the independence, experience, financial literacy and expertise requirements of the NYSE and other applicable laws and regulations (including the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act")), all as in effect from time to time, and any additional requirements approved from time to time by the Board and/or set forth in the Company's corporate governance guidelines.
- At least one member of the Committee shall be an "audit committee financial expert" as defined by the rules and regulations of the SEC.
- Each member of the Committee shall be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee.

Meetings. Meetings of the Committee shall be conducted in accordance with the following:

- The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Chair of the Committee may call special meetings of the Committee as necessary.
- If a Committee Chair is not designated or present at a Committee meeting, the members of the Committee may designate a Chair by a majority vote.
- All members of the Committee are expected to attend each meeting, whether in person, by telephone, videoconference or similar communications equipment, or as otherwise permitted by law. For the transaction of business at any meeting of the Committee, a majority of the members of the Committee shall constitute a quorum.
- Minutes of each meeting shall be kept and the Secretary of the Company shall maintain all minutes of Committee meetings (unless otherwise determined by the Committee). Committee meetings shall be otherwise conducted in a manner required of Board meetings as set forth in the Company's By-laws and consistent with the Company's corporate governance guidelines.

III. Duties and Responsibilities

While the Committee has the duties and responsibilities set forth in this Charter, it is not the duty or responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles ("GAAP"). These are the responsibilities of management and the Company's independent external auditor. Consistent with the foregoing, the following duties and responsibilities have been delegated by the Board to the Committee:

Oversight of Relationship With Independent External Auditor

- Be solely and directly responsible for the appointment, compensation, retention and oversight of the work of any independent external auditor engaged (including the resolution of disagreements between management and the independent external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (and, where appropriate, replacement of any such independent external auditor). Any such independent external auditor shall report directly to the Committee.
- Meet with the independent external auditor prior to the audit to review the planning, staffing, scope of the audit, and coordination with the internal audit department.
- Review the performance of the independent external auditor. In performing this review, the Committee will:
 - at least annually, obtain and review a report by the independent external auditor describing: the firm's internal quality-control procedures; 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, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent external auditor and the Company (including any significant fees for any anticipated non-audit services);
 - take into account the opinions of management and internal audit;
 - review and evaluate the lead partner of the independent external auditor; and
 - present its conclusions with respect to the independent external auditor to the Board.
- Take other appropriate action to oversee the independence of the independent external auditor, including: setting clear hiring policies for employees or former employees of the independent external auditor; reviewing the audit partner rotation plans and considering whether there should be regular rotation of the audit firm itself; and discussing with the independent external auditor any disclosed relationships or services that may impact the objectivity and independence of the independent external auditor.
- Before the independent external auditor is engaged by the Company, pre-approve all audit services and all non-audit services permitted to be performed by the independent external auditor. Alternatively, establish policies and procedures for the pre-approval of services provided by the independent external auditor in a manner that complies with applicable law and NYSE rules. Pre-approval authority may be delegated to one or more Committee

members so long as any decisions made under delegated authority are presented to the full Committee at its next regularly scheduled meeting.

Review of Financial Reporting Matters with and Reports of the Independent External Auditor and Management

- Meet to review and discuss with the independent external auditor and management the annual audited financial statements that are to be included in the Company's Form 10-K and the quarterly financial statements that are to be included in the Company's Form 10-Qs, including in each case specific disclosures under "management's discussion and analysis of financial condition and results of operations."
- Determine whether to recommend to the Board that the audited financial statements be included in the Company's Form 10-K for filing with the SEC.
- Review and discuss with management the Company's earnings press releases (prior to release), including the use of pro forma or non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies.
- Discuss with management, the independent external auditor, and the Director of Internal Audit:
 - any major issues regarding accounting principles and financial statement presentation, including any significant change in the Company's selection or application of accounting principles and major issues as to the adequacy of the Company's internal controls and any special audit steps taken in light of major control deficiencies;
 - analyses prepared by management and/or the independent external auditor setting forth significant financial reporting issues and judgments (including complex or unusual transactions and highly judgmental areas) made in connection with the preparation of the financial statements, including an analysis of the effects of alternative GAAP methods on the financial statements;
 - the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements; and
 - the type and presentation of information to be included in earnings press releases (paying particular attention to any use of "pro forma" or adjusted information), as well as review of any financial information and earnings guidance provided to analysts and ratings agencies.
- Discuss with the independent external auditor, at least annually, any audit problems or difficulties and management's responses, any difficulties the auditor encountered during the course of the audit work, including any restrictions on the scope of the auditor's activities or on access to requested information, any significant disagreements with management, any communications between the audit team and the audit firm's national office respecting issues presented by the engagement, any management letters issued or proposed to be issued and a discussion of the adequacy (including responsibilities and staffing) of the Company's internal audit department.

- Discuss with the independent external auditor the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Published Standards, Vol. 1., AU § 380), as adopted by the PCAOB in Rule 3200T, relating to the conduct of the audit.
- Meet with the officers certifying the Company's periodic reports pursuant to Section 302 of the Sarbanes-Oxley Act, and any other officers that the Committee deems necessary or appropriate, to discuss:
 - whether there are any significant deficiencies or material weaknesses in the design or operation of the Company's internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information, and
 - whether there has been any fraud (whether or not material) that involves management or other employees who have a significant role in the Company's internal control over financial reporting.
- Review disclosures made by the officers certifying the Company's periodic reports pursuant to Section 302 of the Sarbanes-Oxley Act.
- Meet, periodically (but at least quarterly), in separate executive sessions with: the chief financial officer; the chief accounting officer; the general counsel; the independent external auditor; and the Director of Internal Audit.
- Review with management and the independent external auditor the policies and procedures related to: conflicts of interest; ethical conduct; and compliance with regulatory reporting and other compliance requirements.
- Receive and review any other reports from the independent external auditor that are required under standards governing the independent external auditor or by applicable law or NYSE rules.

Oversight of Internal Audit Department

- Review and approve the appointment, termination and/or replacement of the Director of Internal Audit, who shall have a direct reporting line to the Committee to communicate any findings or concerns resulting from the activities of the internal audit department.
- Review and approve the Director of Internal Audit's compensation.
- Monitor and evaluate the Director of Internal Audit's performance.
- Review with management and the Director of Internal Audit the internal audit department's charter and mission, objectives, activities, organizational structure, staffing, resources, annual plan and coordination with the independent external auditor.
- Review and discuss with the independent external auditor the responsibilities, budget and staffing of the internal audit department.
- Review and assess the effectiveness of the internal audit department.

- Review the results of internal audit department's activities and any reports to management prepared by the internal audit department (and management's responses).
- Discuss with the Director of Internal Audit any difficulties encountered in the course of audits including any restrictions on the scope of the work or access to required information.
- Review and assess the Company's disclosure controls, policies and procedures, including information technology security and control.
- Review the scope of the internal audit department's and the independent external auditor's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- Review with management any changes in the Company's internal control over financial reporting that occurred during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting and whether any corrective actions were taken with regard to significant deficiencies or material weaknesses in the Company's internal control over financial reporting.
- Review the independent external auditor's attestation report regarding management's assessment of the Company's internal control over financial reporting prior to the inclusion of such attestation report in the Company's Form 10-K.

Oversight of Finance and Accounting Functions

- Discuss with management, the independent external auditor, and the internal audit department the Company's policies and procedures with respect to risk assessment and risk management, including discussion of the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, and discuss the Company's guidelines and processes for risk assessment and risk management.
- Oversee the enforcement of the Company's Standards of Business Ethics Policy and Senior Executives Code of Ethics and propose to the Board for its approval, from time to time, such revisions thereto as the Committee deems to be appropriate to ensure compliance with all applicable laws, rules and regulations, including requirements of the SEC and the NYSE.
- Review the findings of any examinations by financial regulatory agencies, and any auditor observations.
- Obtain regular updates from management and the Company's legal counsel regarding compliance matters.
- Review recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review with the Company's legal counsel any legal matters that are brought to the Committee's attention that may have a material impact on the Company's financial statements and material reports.

- Discuss with management, the independent external auditor and the Director of Internal Audit any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
- Establish procedures for:
 - receiving, retaining, processing, evaluating and addressing complaints received by the Company relating to accounting, internal accounting controls, auditing matters or corporate governance; and
 - enabling employees of the Company to submit to the Committee, on a confidential and anonymous basis, any concerns regarding questionable accounting or auditing matters.

Other

- Prepare the audit committee report required by the rules of the SEC to be included in the Company's annual meeting proxy statement.
- Report to the Board on the Committee's activities at the next regularly scheduled Board meeting.
- Perform any other activities consistent with this Charter, the Company's By-laws, and governing law and regulations, as the Committee or the Board deems necessary or appropriate from time to time.
- Coordinate with the Chairs of the Nominating and Corporate Governance Committee and the Compensation Committee on matters for which aspects of oversight are provided to more than one committee.

IV. Delegation of Authority

In fulfilling its responsibilities, the Committee shall have the authority to delegate its authority to its members, as the Committee deems appropriate (including, but not limited to, forming one or more subcommittees of the Committee), to the extent permitted by and consistent with the Company's certificate of incorporation, By-laws, corporate governance guidelines, and applicable law and rules of the NYSE. Any such delegate shall report any actions taken by the delegate to the whole Committee at the Committee's next regularly scheduled meeting.

V. Annual Review

The Committee shall annually perform a review and evaluation of the performance of the Committee and its members and report its conclusions to the Board. In addition, the Committee shall assess the adequacy of this Charter and the Committee's own performance under this Charter. The Committee will determine whether any changes to this Charter are advisable or any corrective actions should be undertaken to correct any deficiencies or weaknesses noted in the review and evaluation. The Committee shall present any amendments to this Charter or corrective actions that the Committee deems necessary or appropriate to the Board for its approval.

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