

AMENDED AND RESTATED AUDIT COMMITTEE CHARTER
of
ELAN CORPORATION, PLC

Adopted 26 May 2010

The Audit Committee (the “Committee”) of Elan Corporation, plc (the “Company”) is appointed by the Board of Directors of the Company (the “Board”) to assist the Board in its oversight of (1) the integrity of the financial statements of the Company, (2) the compliance by the Company with legal and regulatory requirements, (3) the qualifications and independence of the Company’s independent auditor (the “Independent Auditor”) and (4) the performance of the Company’s internal audit function and independent auditors.

Terms of Reference

The Committee will:

Financial Statements and Related Disclosure

1. Review and discuss with management and the Independent Auditor the Company’s annual audited financial statements and quarterly financial statements prior to public disclosure thereof, including disclosures made under “operating and financial review and prospects” in the Company’s annual report filed on Form 20-F (the “Form 20-F”).
2. Review and discuss the Company’s earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
3. Review major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company’s selection or application of accounting principles, and major issues as to the adequacy of the Company’s internal controls that could significantly affect the Company’s financial statements and any special audit steps adopted in light of material control deficiencies.
4. Review analyses prepared by management and/or the Independent Auditor of significant financial reporting issues and the judgments made in connection with the preparation of the Company’s financial statements, including the selection, application and disclosure of critical accounting policies and analyses of the effect of alternative assumptions, estimates or methods on the Company’s financial statements.
5. Review with management and the Independent Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company’s financial statements.
6. Review the reports of the Independent Auditor addressing:
 - (a) all critical accounting policies and practices to be used by the Company in preparing its financial statements;

- (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the Independent Auditor; and
 - (c) other material communications between the Independent Auditor and management, such as management letters or schedules of unadjusted differences.
- 7. Review with the Independent Auditor any problems or difficulties that the Independent Auditor may have encountered and any management letter provided by the Independent Auditor to the Company and the Company's response thereto. Such review should include:
 - (a) any difficulties encountered in the course of the audit work, including any restrictions of the scope of activities or access to required information, and any disagreements with management;
 - (b) any changes required in the planned scope of the internal audit; and
 - (c) the responsibilities, budget and staffing of the Company's internal auditor or other personnel responsible for the internal audit function (the "Internal Auditor").
- 8. Review with management the Company's major financial and other risk exposures and policies with respect to risk assessment and management, including the steps management has taken to monitor and control such exposures.
- 9. Meet separately with management, the Internal Auditor and the Independent Auditor on a periodic basis.
- 10. Review with management, including the Chief Executive Officer of the Company (the "Chief Executive Officer") and the Chief Financial Officer of the Company (the "Chief Financial Officer") and any outside professionals as the Committee considers appropriate, the effectiveness of the design and operation of the Company's disclosure controls and procedures.
- 11. Discuss with the Independent Auditor the matters required to be discussed by Statement on Auditing Standards ("SAS") No. 114, as modified or supplemented, relating to the conduct of the audit. SAS No. 114 requires a company's independent auditor to ensure that the audit committee receives additional information regarding the scope and results of the audit that may assist the audit committee in overseeing the financial reporting and disclosure process for which management is responsible.
- 12. Review with the Internal Auditor and Independent Auditor the annual report filed with the U.S. Securities and Exchange Commission on Form 20-F (the "Form 20-F"), regarding, among other things, the Company's accounting controls and any material changes to such controls.
- 13. Prepare an audit committee report to be included in the Form 20-F.

Independent Auditor

14. The Independent Auditors is invited to attend all meetings of the Committee, at which the financial affairs and internal controls of the Company are to be discussed. The Committee will meet with the Independent Auditor in separate executive session at least annually.
15. Be directly responsible for and have ultimate authority with respect to the appointment, compensation, retention, evaluation, termination and oversight of the work of the Independent Auditor (including resolution of disagreements between management and the auditor regarding financial reporting). The Independent Auditor will report directly to the Committee and will be ultimately accountable to the Committee and the Board.
16. Pre-approve all audit engagement fees and terms, as well as any non-audit services to be provided by the Independent Auditor and review with the lead audit partner whether any audit team member receives any discretionary compensation from the audit firm with respect to non-audit services performed by the Independent Auditor.
17. At least annually, obtain and review a report by the Independent Auditor describing the Independent Auditor's independence (each of which reports will include a written statement delineating all relationships between the Independent Auditor and the Company), discuss such reports with the Independent Auditor, consider whether any of the disclosed relationships or the provision of any non-audit service is compatible with maintaining the Independent Auditor's objectivity and independence, and, if so determined by the Committee, recommend that the Board take appropriate action to satisfy itself of the independence of the Independent Auditor.
18. At least annually, obtain and review a report by the Independent Auditor describing the Independent Auditor's internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the audit 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 Independent Auditor, and any steps taken to deal with any such issues.
19. Meet with the Independent Auditor prior to the audit to review the proposed scope, plans and staffing of the audit.
20. Review and evaluate the qualifications, performance and independence of the Independent Auditor, including key partners and managers of the Independent Auditor, on an annual basis.
21. Assure the regular rotation of the lead audit partner.
22. Set clear hiring policies for employees or former employees of the present or former Independent Auditor.
23. Discuss with the Independent Auditor any issues on which the Company's audit team consulted with the Independent Auditor's home office or professional practice or standards group on matters of audit quality and consistency.

Internal Auditor

24. The Internal Auditor is invited to attend all meetings of the Committee, at which the financial affairs and internal controls of the Company are to be discussed. The Committee will meet with internal audit in separate executive session at least annually.
25. Annually, meet with the Internal Auditor to review the proposed scope, plans and staffing of the audit program.
26. Review the significant reports to management prepared by the Internal Auditor and management's responses and any significant issues raised by the Internal Auditor.
27. Consider any problems identified by the Internal Auditor.

Compliance with Legal and Regulatory Requirements

28. Obtain reports from management, the Internal Auditor and the Independent Auditor confirming that the Company and the Company's wholly owned subsidiaries and controlled affiliates are in conformity with the Company's Securities Trading Policy (the "Securities Trading Policy") and the portions of the Company's Code of Conduct (the "Code of Conduct") and other laws and regulations relating to, or that may have an impact on, the Company's financial reporting.
29. Review on a periodic basis whether the Code of Conduct and the Securities Trading Policy have been communicated to all key employees of the Company and its subsidiaries.
30. Advise the Board with respect to the Company's policies and procedures regarding compliance with the Securities Trading Policy and the portions of the Code of Conduct and other laws and regulations relating to, or that may have an impact on, the Company's financial reporting.
31. Administer the Securities Trading Policy on behalf of the Board and appoint a trading compliance officer to whom all applications to trade should be sent.
32. Review with management and the Independent Auditor any correspondence with regulators or governmental agencies, and any employee complaints or published reports that raise material issues regarding the Company's financial statements or accounting policies.
33. Review with the Company's General Counsel or senior legal officer legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
34. The General Counsel and the Chief Compliance Officer should provide the Committee with (i) risk assessments, (ii) plans for education and training, (iii) reports on detection of potential and actual violations, including dispositions of the matters, and (iv) metrics on

implementation of the compliance program. They should also report on the compliance program at least annually to the full Board.

35. The General Counsel and Chief Compliance Officer should meet in executive session with the Committee at least annually.
36. Establish procedures for (a) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. A copy of such procedures is attached at Appendix A.
37. Obtain from the Independent Auditor assurance that Section 10A of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”) has not been implicated. Section 10A requires, among other things, that each audit required under the Exchange Act include procedures regarding detection of illegal acts and the reporting of such illegal acts to the appropriate level of management.

Reporting Obligations

38. At least annually, meet with the Chief Financial Officer in separate executive session.
39. Report regularly to the Board on its activities
40. Report the decisions made at Committee meetings to the Board and distribute to the Board minutes reflecting such decisions

Assessment of Charter; Evaluation

41. Review and reassess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for approval
42. . Establish guidelines for the performance evaluation of the Committee and annually assess the performance of the Committee in light of those guidelines

Rules of Procedure

1. The Committee will comprise not fewer than three directors, each of whom will be independent, as such term is defined in the Company’s Corporate Governance Guidelines (the “Guidelines”), and each member of the Committee will meet all appropriate independence, financial literacy and other requirements of law and The New York Stock Exchange (as amended from time to time). The Chair of the Committee (the “Chair”) will have accounting or related financial management expertise.
2. The Committee should endeavour to include directors who have experience of both International Financial Reporting Standards (“IFRS”) and of United States Generally Accepted Accounting Standards (“GAAP”) on the Committee.

3. The members and the Chair will be appointed to the Committee in accordance with the procedures set forth in the Guidelines. The Board will have the authority to remove any Committee member at any time without cause.
4. The Chair will develop and set the Committee's agenda, in consultation with the other members of the Committee.
5. Each member, including the Chair, will be appointed to the Committee for a three-year term, subject to a maximum of two terms of continuous service. The membership will automatically end at such time as a member ceases to be a Board member.
6. The Lead Independent Director will be given notice of and an opportunity to attend meetings between the Committee and the Independent Auditor.
7. The Company Secretary will act as secretary of Committee meetings. In his or her absence, or if the Committee deems it appropriate, the Committee may appoint a secretary for the meeting.
8. Quorum for Committee meetings will be a majority of Committee members.
9. The Committee will meet at least quarterly. It will also meet on these occasions in the event of a specific request from the Board, from the Independent Auditor or from at least two members of the Committee. Information that is important to the Committee's understanding of the business of the Company, including, without limitation, the draft quarterly and annual financial statements, will be distributed sufficiently in advance of Committee meetings to permit Committee members the opportunity for review.
10. The Chair of the Committee will report the decisions made at Committee meetings to the next face-to-face Board meeting and the Company Secretary will distribute the agendas and minutes of the Committee meetings to the Board.
11. Any member of the Committee may participate in a meeting thereof conducted wholly or in part by telephonic means whereby all persons participating in the meeting can hear each other speak (and participation in a meeting in this manner will be deemed to constitute presence in person at such meeting).
12. No resolution proposed at any Committee meeting will be deemed adopted unless a majority of the Committee present and voting at such meeting will have voted in favour of such resolution.
13. A resolution in writing signed by all members of the Committee will be valid as if it had been passed at a meeting thereof duly convened and held and may consist of several documents in like form each signed by one or more members of the Committee including facsimile or telex messages in like form signed in the name of such members.
14. Reasonable notice will be required to be given of any meeting of the Committee.
15. The Committee will have the authority to retain legal, accounting or other advisors to advise it. Generally, such independent advice should be sought with the knowledge of

the Chief Executive Officer. The Committee may request any officer or employee of the Company or the Company's outside counsel to attend any of its meetings or to meet with any of its members or consultants. The Committee will receive appropriate funding, as determined by the Committee, from the Company for payment of compensation to outside legal, accounting or other advisors employed by the Committee.

16. The Committee will retain the internal audit reports from the Internal Auditor to the Committee and the Board for six years.

While the Committee has the responsibilities and powers set forth in this Charter and imposed upon them by law, it is not the duty of the Committee to plan or conduct audits. These are the responsibilities of management and the Independent Auditor.

PROCEDURES FOR THE RECEIPT, RETENTION AND TREATMENT OF COMPLAINTS

I. Reporting Complaints

A. General

The Audit Committee of Elan Corporation, plc encourages and expects all employees and third parties who have knowledge of Elan's activities and business practices to promptly report, pursuant to the procedures outlined herein, any instances of improper or questionable accounting, internal accounting controls or auditing matters. Examples of issues we encourage persons to report include:

- Fraud or deliberate error in the preparation, evaluation, review or audit of Elan's consolidated financial statements;
- Fraud or deliberate error in the recording and maintaining of Elan's financial records;
- Deficiencies in or non-compliance with Elan's internal controls; and
- Misrepresentations, untrue statements or omissions by or to management or Elan's independent auditor regarding the financial records, consolidated financial statements or financial reporting.

In addition, we encourage such persons to use the procedures outlined below to report any instances of illegal or unethical behavior by any of Elan's officers or employees.

B. Employee Complaints

Elan has established two processes for the submission by employees to Corporate Compliance Office of concerns regarding questionable accounting or auditing matters.

- Elan has established an employee feedback e-mail system as part of Synapse--Elan's Corporate Intranet Website. It is located on the Synapse home page under Employee feedback and is intended to provide a mechanism for all Elan employees to communicate to upper management. The e-mail is designed so that comments can be entered in an anonymous manner if the employee wishes to remain anonymous. This site has been designed so that tracking of the incoming e-mail is not possible unless the person chooses to self-identify.
- Elan has also established a toll-free telephone hotline for employees to report potential violations of laws, regulations or ethical standards. If calling within the United States the telephone number is 1-866-OUR-ELAN (1-866-687-3526).

As an alternative, employees may send any concerns they have by mail to the Vice President, Corporate Compliance, 3000 Horizon Drive, King of Prussia, PA 19406, USA, or to the Company Secretary, 1st Floor, Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland. Employees will have a choice whether to submit their concerns anonymously or to identify themselves.

C. Non-Employee Complaints

Persons who are not employees of Elan may also send any concerns by mail or by using the toll-free telephone hotline discussed above. Elan will acknowledge receipt of such complaints as promptly as possible. All complaints by persons who are not employees of Elan or one of its subsidiaries that are made to an officer, director or employee of Elan must be immediately reported to the Vice President, Corporate Compliance. It is the role of the Corporate Compliance Office to investigate and validate such complaints.

II. Retention of Complaints

The Corporate Compliance Office will at all times maintain a written list of all complaints received. This file will document the investigation and resolution of the complaint. The Vice President, Corporate Compliance will submit a report to the Audit Committee on a quarterly basis that contains information on the total number of complaints received, the number of investigations commenced, the status of on-going investigations and the resolution of complaints.

III. Process for Treatment of Complaints

The Audit Committee is responsible for overseeing the resolution of any complaint received pursuant to these procedures. The VP, Corporate Compliance is responsible for investigating any complaints that are received. The VP, Corporate Compliance may consult with and be assisted in her investigation by Elan employees selected by the VP, Corporate Compliance in her discretion, outside legal counsel and/or other advisers. The VP, Corporate Compliance and any person assisting the VP, Corporate Compliance with the investigation are referred to below as the “Complaint Examiner.”

All complaints, regardless of their source, will be handled as follows:

1. The Complaint Examiner will review the initial information received in connection with the complaint to determine if further investigation is warranted. In making this determination, the following factors shall be considered, if known:
 - a. The level of detail provided by the complaint; and
 - b. The overall plausibility of the complaint.
2. If a determination is made that further investigation is warranted, the Complaint Examiner will conduct a factual investigation of the complaint. This investigation shall include the following steps:

- a. Collecting documentary evidence;
 - b. Interviewing those persons who are or may be the subject of the complaint;
 - c. Interviewing other persons who may have knowledge of the matters that are the subject of the complaint;
 - d. Consulting with outside advisers; and
 - e. In the case of a complaint made by a non-employee, interviewing the person who made the complaint.
3. Upon completion of the factual investigation, the Complaint Examiner will make a further assessment of the legitimacy of the complaint. Upon completion of this assessment, the Complaint Examiner will do one of the following:
- a. Upon a determination that the complaint is not legitimate and/or that it does not require corrective action:
 - i. The investigation will be closed; and
 - ii. A summary of the procedures performed and resolution of the matter will be prepared for the file.
 - b. Upon a determination that the complaint will require a response and/or corrective action, the complaint will be raised with one of the following parties, as determined by the Complaint Examiner based on the seriousness of the complaint and the persons implicated by the complaint:
 - i. Elan's senior management (Chief Executive Officer, Chief Financial Officer, Controller and General Counsel); or
 - ii. The entire Audit Committee.
4. The party identified in 3(b) above will undertake a review of the complaint with the Complaint Examiner and will determine the appropriate corrective action to be taken, including whether the complaint should be further reported "up the chain." Such party, including the Complaint Examiners, shall oversee the response to the complaint and the implementation and effectiveness of any corrective action. The Complaint Examiner will prepare a status update, as needed, for the file that documents the response to the complaint.

IV. Protection of Employees who Submit Complaints

Elan's Code of Conduct, a copy of which is available on Elan's Corporate Intranet Website, prohibits retaliation in any form against any person who makes a complaint or report in good faith pursuant to the procedures set forth herein. It is illegal for Elan or any officer, employee, contractor, subcontractor or agent of Elan to take any retaliatory action against an employee in response to the employee lawfully providing information, assistance or testimony relating to an alleged violation of the U.S. securities laws, securities fraud or other similar violations.

Employees are expected to report any violations of the above-described policies or law, including any allegations of improper discharge, intimidation or discrimination, to the chair of the Audit Committee or the Company Secretary as promptly as possible.