

Second Amended and Restated Charter of the Audit Committee of Catalyst Pharmaceuticals, Inc.

Purpose

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Catalyst Pharmaceuticals, Inc. (the "Company") is to oversee on behalf of the Board:

- the accounting and financial reporting processes and the integrity of the financial statements of the Company;
- the audits of the Company's financial statements and the appointment, compensation, qualifications, independence and performance of the Company's independent auditors;
- the Company's compliance with legal and regulatory requirements; and
- the performance of the Company's internal audit function (if any), internal accounting controls, disclosure controls and procedures and internal control over financial reporting.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company's by-laws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, and consistent with this Charter, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

The audit committee has the authority to obtain advice and assistance from outside legal, accounting, or other advisors as necessary to perform its duties and obligations. The Company will provide appropriate funding, as determined by the Committee, for compensation to the independent auditor, any advisors that the Committee chooses to engage, and for payment of ordinary and administrative expenses of the audit committee that are necessary or appropriate in carrying out its duties.

Notwithstanding the foregoing, the Committee's responsibilities are limited to oversight. The Company's management is responsible for the preparation, presentation, and integrity of the Company's financial statements as well as the Company's financial reporting process, accounting policies, internal audit function (if any), internal accounting controls over financial reporting and disclosure controls and procedures. The independent auditor is responsible for performing an audit of the Company's annual financial statements, expressing an opinion as to the conformity

of such annual financial statements with generally accepted accounting principles and reviewing the Company's quarterly financial statements. It is not the responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosure are complete and accurate and in accordance with generally accepted accounting principles and applicable laws, rules, and regulations. Each member of the Committee shall be entitled to rely upon the integrity of those persons within the Company and of the professionals and experts from which the Committee receives information and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts.

Membership

The Committee shall consist of at least three members of the Board; provided, however, that if at any time there is a vacancy on the Committee and the remaining members meet all membership requirements, then the Committee may consist of two members until the earlier of the Company's next annual stockholders meeting or one year from the occurrence of the vacancy.

No Committee member shall have participated in the preparation of the Company's financial statements or those of any then subsidiary of the Company at any time during the past three years. Each Committee member must be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. Members of the Committee are not required to be engaged in the accounting and auditing profession and, consequently, some members may not be experts in financial matters, or in matters involving auditing or accounting. However, at least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. In addition, at least one member of the Committee shall be an "audit committee financial expert" within the definition adopted by the Securities and Exchange Commission (the "SEC") or the Company shall disclose in its periodic reports required pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the reasons why at least one member of the Committee is not an "audit committee financial expert." Each Committee member shall satisfy the independence requirements of the Nasdaq Capital Market and Rule 10A-3(b)(1) under the Exchange Act. However, if a member of the Committee ceases to be independent for reasons outside the member's reasonable control, then the member may remain on the Committee until the earlier of the Company's next annual stockholders meeting or one year from the occurrence of the event that caused the member to cease to be independent; provided that if the event that caused the member to cease being independent occurs within 180 days before the Company's next annual stockholders meeting, the member may remain on the Committee for 180 days.

The members of the Committee, including the chairman of the Committee (the "Chair"), shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee. Committee members may be removed from the Committee, with or without cause, by the Board.

No member of the Board is eligible to serve on the Committee if he or she serves on more than two other public companies' audit committees.

Responsibilities of the Audit Committee

Committee Management

1. Maintain the independence, education and experience requirements of the Exchange Act, the Sarbanes-Oxley Act and the Nasdaq Capital Market.
2. Establish an agenda for the ensuing year. Hold such regular meetings as may be necessary and such special meetings as may be called by the Chair or at the request of the independent accountants.
3. Review the powers and duties of the Committee and report and make recommendations to the Board on these responsibilities.
4. Keep and record the minutes of all meetings of the Committee and submit such minutes to the Board.
5. Hire independent counsel and other advisors as the Committee may, in its discretion, determine to be necessary to carry out its duties. The Company shall provide for funding, as determined by the Committee, for the payment of compensation to such advisors.
6. Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
7. Consider such other matters in relation to the financial affairs of the Company and its accounts, and in relation to the external audit of the Company as the Committee may, in its discretion, determine to be advisable. The Company shall provide for funding, as determined by the Committee, for the payment of the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
8. Review and approve all related party transactions.
9. Conduct an annual performance evaluation of the Committee and report the results of such evaluation to the Board and the Company's management.

Oversight of Internal Audit Function

10. The Committee shall exercise an oversight role with respect to the internal audit function of the Company, if such function exists. The oversight activities shall include review of plans and budgets with respect to the internal audit function, review of summary information concerning the results of reviews of financial reporting by the internal audit

function, requesting the internal audit function to perform special studies, investigations or other services in matters of interest of concern to the Committee, and requesting reviews of the internal audit function on a periodic basis.

Management of Relationship with Independent Auditors

11. Directly appoint, compensate, retain and oversee the work of the independent auditors to audit the financial statements of the Company. The independent auditors shall report directly to the Committee, and the Committee shall resolve any disagreements between management and the independent auditors. The Committee shall meet with the independent auditors and financial management, and, if the Company has an internal audit function, the director of internal audit, to review the scope of the proposed audit for the current year and the audit procedures to be utilized, the adequacy of the program to integrate the independent and internal audit efforts, and, at the conclusion thereof, review such audit, including any comments or recommendations of the independent auditors.
12. Receive and review (i) the independent auditors formal written statement delineating all relationships between the independent auditors and the Company, consistent with Independence Standards Board Standard 1, Independence Discussions with Audit Committees, and (ii) any other certifications or documentation necessary to ensure that the independent auditors meet the independence standard required by law. Review all such documentation with the independent auditors, and, if so determined by the Committee, take or recommend that the Board take appropriate action to oversee the independence of the auditors.
13. Receive and review timely reports from the independent auditors regarding (i) all critical accounting policies and practices to be used; (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and (iii) other material written communications between the independent auditors and the management of the Company, such as any management letter or schedule of unadjusted differences.
14. Review the following with management and the independent auditors:
 - a. the Company's annual financial statements and related disclosures contained in the Company's annual report on Form 10-K (the "Form 10-K"), including the Company'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 auditors' report thereon;
 - c. any significant changes required in the independent auditors' audit plan;

- d. related accounting and auditing principles and practices; and
 - e. any significant difficulties encountered during the audit.
15. Recommend to the Board that the audited financial statements be included in the Form 10-K.
16. Review with management and the independent auditor the Company's quarterly financial statements prior to the filing of any quarterly report on Form 10-Q.
17. Discuss with the independent auditors any other matters required to be discussed by Statement on Auditing Standards ("SAS") No. 61 (as amended by SAS No. 84 and SAS No. 90) relating to the conduct of the audit, including matters such as:
- a. the quality and acceptability of the accounting principles applied in the financial statements;
 - b. new or changed accounting policies, the effect of regulatory and accounting initiatives, and significant estimates, judgments, uncertainties or unusual transactions;
 - c. the selection, application and effects of critical accounting policies and estimates applied by the Company;
 - d. issues raised by any "management" or "internal control" letter from the auditors, problems or difficulties encountered in the audit (including any restrictions on the scope of the work or access to requested information) and management's response to such problems or difficulties, significant disagreements with management, or other significant aspects of the audit; and
 - e. any off-balance sheet transactions, and relationships with any unconsolidated entities or other persons, which may have a material current or future effect on the financial condition or results of the Company and are required to be reported under SEC rules.
18. Approve in advance all auditing services to be provided by the independent auditors. Determine the amount of compensation to be paid to the independent auditors for such services. The Company shall provide for funding, as determined by the Committee, for the payment of compensation to the independent auditors.
19. Approve, in advance, any audit-related, tax and other permitted non-audit services to be provided by the independent auditors. Determine the amount of compensation to be paid to the independent auditors for such non-audit services. The Company shall provide for

funding, as determined by the Committee, for the payment of compensation to the independent auditors for any such services.

20. Obtain and review, at least annually, a report by the independent auditors, if such report is required by the rules of the SEC, describing:
 - a. the firm's internal quality-control procedures; and
 - b. any material issues raised by the most recent internal quality-control review, or peer review, of the auditing 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 such issues.

The Committee's review of the auditor's qualifications will also include the review and evaluation of the lead partner of the independent auditors for the Company's account, of the auditors, including views of Company management, and whether the lead partner or auditing firm itself should be retained.

Develop Controls to Insure the Integrity of the Financial Statements and Quality of Disclosure

21. The Committee will periodically:
 - a. review risks relating to the financial statements, auditing and financial reporting process, key credit risks, liquidity risks and market risks and inquire of management, the members of the internal audit department (if any) and the independent auditors about the Company's major financial and auditing risks or exposures;
 - b. discuss the steps management has taken to monitor and control such exposures;
 - c. discuss guidelines and policies with respect to risk management; and
 - d. report the results of such review to the Board.
22. Review with management and the director of internal audit (if any) the Company's systems of internal control over financial reporting, and other relevant reports or financial information submitted to the Company to any governmental body or the public, including management certifications as required by the Sarbanes-Oxley Act of 2002 and relevant reports rendered by the independent auditor.
23. On a quarterly basis, discuss the following with management, the director of internal audit (if any) and the independent auditors:

- a. all significant deficiencies in the design or operation of internal control over financial reporting which could adversely affect the Company's ability to record, process, summarize and report financial data, and any material weaknesses in internal control over financial reporting; and
 - b. 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.
24. Establish procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and (iii) the receipt and treatment of any evidence of a violation of the securities laws or breach of fiduciary duty brought to the Committee's attention by the Company's external counsel.
25. Prepare the Audit Committee Report for inclusion in any Proxy Statement issued by the Company.
26. Receive and review any disclosure from the Company's Chief Executive Officer or Chief Financial Officer made in connection with the certification of the Company's quarterly and annual reports filed with the SEC of (i) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial data, and (ii) 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.

Human Resources

27. Review accounting and financial human resources and succession planning within the Company, including, without limitation, concurring with management in the hiring or removal of a director of internal audit.
28. Review the Company's hiring policies with respect to employees or former employees of the Company's independent auditors.