

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF REGENERON PHARMACEUTICALS, INC.

I. AUTHORITY

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Regeneron Pharmaceuticals, Inc. (the "Corporation") is established pursuant to Article II, Section 4 of the Corporation's Bylaws and Section 712 of the New York Business Corporation Law. The Committee shall be comprised of three or more directors as determined from time to time by resolution of the Board. Consistent with the appointment of other Board committees, the members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or at such other time as may be determined by the Board. The Chairman of the Committee shall be designated by the Board, *provided* that if the Board does not so designate a Chairman, the members of the Committee, by majority vote, may designate a Chairman. The presence of a majority of the Committee's members shall constitute a quorum for any meeting of the Committee. All actions of the Committee will require the vote of a majority of its members present at a meeting of the Committee at which a quorum is present.

II. PURPOSE OF THE COMMITTEE

The Committee's purpose is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting and internal control and legal compliance functions of the Corporation, including, without limitation, (a) assisting the Board in its oversight function by monitoring (i) the integrity of the Corporation's financial statements, (ii) the Corporation's compliance with legal and regulatory requirements, (iii) the Corporation's independent auditors' qualifications and independence, and (iv) the performance of the Corporation's independent auditors and the Corporation's internal audit function, if applicable, and (b) preparing the report required to be prepared by the Committee pursuant to the rules of the Securities and Exchange Commission (the "SEC") for inclusion in the Corporation's annual proxy statement. It is the objective of the Committee to maintain free and open means of communications among the Board, the independent auditors and the financial and senior management of the Corporation.

III. COMPOSITION OF THE COMMITTEE

Each member of the Committee shall be an "independent" director within the meaning of the Nasdaq Stock Market (the "Nasdaq") rules and, as such, shall be free from any relationship that may interfere with the exercise of his or her independent judgment as a member of the Committee. Notwithstanding the foregoing, as permitted by the Nasdaq rules, under exceptional and limited circumstances, one director who does not meet certain of the criteria for "independence" may be appointed to the Committee if the Board determines in its business judgment that membership on the Committee by such person is required by the best interests of the Corporation and its shareholders and the Corporation discloses in the annual proxy statement the nature of such person's relationship and the reasons for the Board's determination. All members of the Committee shall be financially literate at the time of their election to the Committee or shall become financially literate within a reasonable period of time after their appointment to the Committee. "Financial literacy" shall be determined by the Board in the exercise of its business judgment, and shall include a working familiarity with basic finance and accounting practices and an ability to read and understand fundamental financial statements. 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 senior officer with financial oversight responsibilities. Committee members, if they or the Board deem it appropriate, may enhance their understanding of finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant or firm.

IV. MEETINGS OF THE COMMITTEE

The Committee shall meet once every fiscal quarter or more frequently as it shall determine is necessary to carry out its duties and responsibilities. As part of its purpose to foster open communications, the Committee shall meet separately on a periodic basis with (i) management, (ii) the Chief Audit Executive, if applicable, and (iii) the Corporation's independent auditors to discuss any matters that the Committee or each of these groups or persons believe should be discussed privately. The Chairman should work with the Chief Financial Officer and management to establish the agendas for Committee meetings. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee shall maintain minutes of its meetings and records relating to those meetings and the Committee's activities and provide copies of such minutes to the Board.

V. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

In carrying out its duties and responsibilities, the Committee's policies and procedures should remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions. The Committee should review and reassess annually the adequacy of the Committee's charter. The charter must specify: (i) the scope of the Committee's responsibilities and how it carries out those responsibilities (ii) the ultimate accountability of the Corporation's independent auditors to the Board and the Committee, (iii) the responsibility of the Committee and the Board for the selection, evaluation and replacement of the Corporation's independent auditors, (iv) the Committee's role in reviewing a formal written statement submitted to the Committee by the Corporation's independent auditors, delineating all relationships between the independent auditors and the Corporation, and (v) that the Committee is responsible for actively engaging in a dialogue with the independent auditors with respect to any such disclosed relationships or services that may impact the objectivity and independence of the independent auditors and for recommending that the Board take appropriate action to ensure the independence of the independent auditors.

The following are within the authority of the Committee:

Selection and Evaluation of Independent Auditors

- (a) Select, in its sole discretion, (subject to ratification by the Corporation's shareholders), the independent auditors that will audit the financial statements of the Corporation and its subsidiaries for each fiscal year;
- (b) Review and, in its sole discretion, approve in advance the Corporation's independent auditors' annual engagement letter, including the proposed fees contained therein, as well as all audit and, as provided in the Sarbanes-Oxley Act of 2002 (the "Act"), all permitted non-audit engagements and relationships between the Corporation and such auditors. Approval of audit and permitted non-audit services may also be granted by one or more members of the Committee as shall be designated by the Committee and the person granting such approval shall report such approval to the Committee at the next scheduled meeting.
- (c) Review the performance of the Corporation's independent auditors, including the lead partner of the independent auditors, and, in its sole discretion, make decisions regarding the replacement or termination of the independent auditors when circumstances warrant.
- (d) Obtain at least annually from the Corporation's independent auditors and review a report describing all relationships between the independent auditors and the Corporation (including a description of each category of services provided by the independent auditors to the Corporation and a list of the fees billed for each such category). The Committee should present its conclusions with respect to the above matter, as well as its review of the lead partner of the independent auditors;
- (e) Evaluate the independence of the Corporation's independent auditors by, among other things:

- (i) Actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors, and taking appropriate action to satisfy itself of the auditors' independence;
- (ii) Inquiring to confirm that the lead audit partner and reviewing audit partner responsible for the audit of the Corporation's financial statements have not performed audit services for the Corporation for more than the previous five consecutive fiscal years of the Corporation; and
- (iii) Inquiring to confirm that the chief executive officer, controller, chief financial officer, chief accounting officer or other person serving in an equivalent position of the Corporation, was not, within one year prior to the initiation of the audit, an employee of the independent auditor who participated in any capacity in the Corporation's audit;

(f) Instruct the Corporation's independent auditors that they are ultimately accountable to the Committee and the Board, and that the Committee and the Board are responsible for the selection (subject to shareholder ratification), evaluation and termination of the Corporation's independent auditors;

(g) Review the experience and qualifications of the senior members of the independent auditors' team;

Oversight and Evaluation of Internal Audit

(h) Evaluate the internal audit process for establishing the annual audit plan and the focus on risk;

(i) Evaluate the audit scope and role of internal audit;

(j) Consider and review with management:

- (i) The planned scope of the internal audit plan;
- (ii) The internal audit budget;
- (iii) Significant findings and management's response including the timetable for implementation to correct weaknesses; and
- (iv) Any difficulties encountered in the course of the internal audit such as restrictions on the scope of their work or access to information;

(k) Review and approve the appointment and replacement of the Corporation's Chief Audit Executive (CAE), if applicable, and any outside entities supplying internal audit services and evaluate on an annual basis the performance of the CAE and any such entities.

Annual Audit and Quarterly Reviews

(l) Review and accept, if appropriate, the annual audit plan of the Corporation's independent auditors, including the scope of audit activities and all critical accounting policies and practices to be used, and monitor such plan's progress and results during the year;

(m) Confirm through private discussions with the Corporation's independent auditors and the Corporation's management that no management restrictions are being placed on the scope of the independent auditors' work and discuss any disagreement between the independent auditors and management;

(n) Review the results of the year-end audit of the Corporation, including any comments or recommendations of the Corporation's independent auditors;

(o) Review with management, the Corporation's independent auditors and, if applicable, the Chief Audit Executive, the following:

- (i) The Corporation's annual audited financial statements and quarterly financial statements, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", and any major issues related thereto;
- (ii) Critical accounting policies and such other accounting policies of the Corporation as are deemed appropriate for review by the Committee prior to any interim or year-end filings with the SEC or other regulatory body, including any financial reporting issues which could have a material impact on the Corporation's financial statements, as well as any critical audit matters arising from the current period audit;
- (iii) Major issues regarding accounting principles and financial statements, presentations, including (A) any significant changes in the Corporation's selection or application of accounting principles and (B) any analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the ramifications and effects of alternative generally accepted accounting principles methods on the Corporation's financial statements;
- (iv) All alternative treatments of financial information that have been discussed by the independent auditors and management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditors;
- (v) The methods used to account for significant unusual transactions;
- (vi) The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation;
- (vii) The effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
- (viii) Management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;
- (ix) Significant recorded and unrecorded audit adjustments;
- (x) Any material accounting issues among management and the independent auditors;
- (xi) All other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences; and
- (xii) Other matters required to be communicated to the Committee under generally accepted auditing standards, as amended, by the independent auditors;

(p) Review with management and the independent auditors any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies;

(q) Confirm that the Corporation's interim financial statements included in Quarterly Reports on Form 10-Q have been reviewed by the Corporation's independent auditors and review with management and the independent auditors results of the independent auditors' review of the interim financial statements;

(r) Review with the chief executive officer and chief financial officer and independent auditors, periodically, the following:

- (i) 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, including any material weaknesses in internal controls identified by the Corporation's independent auditors;
- (ii) Fraud that involves management or other employees of the Corporation; and
- (iii) Significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

(s) Periodically review with the Chief Financial Officer, and Chief Executive Officer, as applicable, the quality of earnings, including the following:

- Overall consistency of accounting policies from year to year or quarter to quarter

- Overall degree of estimation or subjectivity in determining operating results
- Transparency of footnote disclosures
- Complexity of MD&A and discussion of non-recurring, unusual transactions
- Presence of pro forma measures of operating results
- Disclosure of related party transactions
- Trend in reserve balances
- Uncertainties and contingencies disclosed in footnotes and MD&A;

(t) Attempt to resolve all disagreements between the Corporation's independent auditors and management regarding financial reporting;

(u) Review on a regular basis with the Corporation's independent auditors any problems or difficulties encountered by the independent auditors in the course of any audit work, including management's response with respect thereto, any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management. In connection therewith, the Committee should review with the independent auditors the following:

- (i) Any accounting adjustments that were noted or proposed by the independent auditors but were rejected by management (as immaterial or otherwise); and
- (ii) Any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors to the Corporation;

(v) Review the Corporation's earnings press releases (including, if applicable, the use of "pro forma" or "adjusted" information not prepared in compliance with generally accepted accounting principles);

Financial Reporting Process and Internal Controls

(w) Review the adequacy and effectiveness of the Corporation's accounting and internal control policies and procedures and disclosure procedures through inquiry and discussions with management of the Corporation and the Corporation's independent auditors;

(x) Review the yearly report prepared by management assessing the effectiveness of the Corporation's internal control structure and procedures for financial reporting and stating management's responsibility to establish and maintain such structure and procedures, prior to its inclusion in the Corporation's annual report;

(y) Review with management the Corporation's administrative, operational and accounting internal controls, including controls and security of the computerized information systems and any special audit steps adopted in light of material control deficiencies, and evaluate whether the Corporation is operating in accordance with its prescribed policies, procedures and codes of conduct;

(z) Review with management and the independent auditors any significant deficiencies and material weaknesses, as defined by the Public Company Accounting Oversight Board, affecting internal control, as per paragraphs (w) and (x) above;

(aa) Receive periodic reports from the Corporation's independent auditors and management of the Corporation to assess the impact on the Corporation of significant accounting or financial reporting developments proposed by the Financial Accounting Standards Board or the SEC or other regulatory body, or any other significant accounting or financial reporting related matters that may have a bearing on the Corporation. The nature of such reports will be discussed between the Committee, management of the Corporation, and the Corporation's independent auditors;

(bb) Establish and maintain free and open means of communication between and among the Board, the Committee, the Corporation's independent auditors, and management, including providing such parties with appropriate

opportunities to meet separately and privately with the Committee on a periodic basis;

Other Matters

(cc) Meet annually with the general counsel, and outside counsel when appropriate, to review legal and regulatory matters, including any matters that may have a material impact on the financial statements of the Corporation;

(dd) Prepare the report required by the SEC to be included in each annual proxy statement;

(ee) Review the Corporation's policies relating to the avoidance of conflicts of interest and review past or proposed transactions between the Corporation and members of management as well as policies and procedures with respect to officers' expense accounts and perquisites, including the use of corporate assets.;

(ff) Obtain from the independent auditors any information pursuant to Section 10A of the Securities Exchange Act of 1934, if applicable;

(gg) Conduct or authorize investigations into any matters within the Committee's scope of responsibilities, including retaining outside counsel or other consultants or experts for this purpose. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors and to any advisors employed by the Committee;

(hh) 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;

(ii) Instruct the Corporation to establish a policy requiring Committee approval before the Corporation may hire employees of the independent auditors who were engaged on the Corporation's account;

(jj) Secure independent expert advice to the extent the Committee determines it to be appropriate, including retaining, with or without Board approval, independent counsel, accountants, consultants or others, to assist the Committee in fulfilling its duties and responsibilities, the cost of such independent expert advisors to be borne by the Corporation;

(kk) Discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.

(ll) Report regularly to the Board on its activities, as appropriate. In connection therewith, the Committee should review with the Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance and independence of the Corporation's independent auditors, or the performance of the internal audit function;

(mm) Prepare and review with the Board an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this charter, and set forth the goals and objectives of the Committee for the upcoming year. The evaluation should include a review and assessment of the adequacy of the Committee's charter. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report; and

(nn) Oversee the Corporation's risk management program. The Corporation's Chief Audit Executive, who reports to the Committee, implements the risk management program and provides annual reports to the Committee on the Corporation's enterprise risk profile.

(oo) Perform the duties, responsibilities and functions of an audit committee with respect to one or more of the Corporation's subsidiaries to the extent required by applicable law or the Committee or the Board deems necessary or appropriate.

(pp) Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as may be required by law or the rules of Nasdaq, including such matters the Committee or the Board deems necessary or appropriate.

With respect to the duties and responsibilities listed above, the Committee should:

- (1) Report regularly to the Board on its activities, as appropriate;
- (2) Exercise reasonable diligence in gathering and considering all material information;
- (3) Understand and weigh alternative courses of conduct that may be available;
- (4) Focus on weighing the benefit versus harm to the Corporation and its shareholders when considering alternative recommendations or courses of action;
- (5) If the Committee deems it appropriate, secure independent expert advice and understand the expert's findings and the basis for such findings, including retaining independent counsel, accountants or others to assist the Committee in fulfilling its duties and responsibilities; and
- (6) Provide management and the Corporation's independent auditors with appropriate opportunities to meet privately with the Committee.

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While the Committee has the duties and responsibilities set forth in this charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Corporation, it is not the duty or responsibility of the Committee or its members to conduct field work or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee absent actual knowledge to the contrary (which shall be promptly reported to the Board) and (iii) statements made by management or third parties as to any information technology, internal audit and other non-audit services provided by the auditors to the Corporation.
