



## AUDIT COMMITTEE TERMS OF REFERENCE

### A. Purpose

1. The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Amarin Corporation plc (the “Company”) to oversee the accounting and financial reporting processes of the Company and the audits of the Company’s financial statements.<sup>1</sup>
2. The Committee shall assist the Board in overseeing (a) the integrity of the Company’s financial statements; (b) the Company’s compliance with legal and regulatory requirements; (c) the external auditors’ qualifications and independence; and (d) the performance of the Company’s internal audit function (if applicable) and external auditors.

### B. Membership

1. The Committee shall be composed of a chairman and at least 2 other members, each of whom shall be a member of and appointed by the Board.
2. Each member of the Committee shall meet, or qualify for the exceptions from, the independence requirements of the rules of the Securities Exchange Act of 1934 (the “Exchange Act”) and the Market-place Rules of NASD. If any member of the Committee serves pursuant to such exceptions, the Company shall disclose in its next annual report such member’s relationship to the Company and the basis for the Board’s determination to use such exceptions.<sup>2</sup>
3. Each member of the Committee must be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement.<sup>3</sup>
4. At least one member of the Committee shall be an “audit committee financial expert” as defined by the U.S. Securities and Exchange Commission (the “Commission”).<sup>4</sup>
5. No member of the Committee may have participated in the preparation of the financial statements of the Company or any of its current subsidiaries at any time during the past three years.<sup>5</sup>
6. The Board shall appoint the Committee chairman. The chairman of the Board shall not be eligible to be appointed as chairman of the Committee.
7. The Company Secretary or a nominee shall be the secretary of the Committee.

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<sup>1</sup> See Nasdaq Rules 4350(d)(1)(C) and 4350(d)(2)(B).

<sup>2</sup> See Nasdaq Rule 4350(d)(2)(B).

<sup>3</sup> See Nasdaq Rule 4350(d)(2)(A)(iv).

<sup>4</sup> See Nasdaq Rule 4350(d)(2)(A).

<sup>5</sup> See Nasdaq Rule 4350(d)(2)(A)(iii).

### **C. Meetings**

1. The Committee shall meet as often as it determines necessary and in any case on at least a quarterly basis.
2. A meeting of the Committee may be called by any member of the Committee, by the chairman of the Board, by internal (if applicable) or external auditors or the chief financial officer of the Company.
3. Notice of each meeting of the Committee confirming the venue, time and date together with an agenda of items to be discussed shall, unless otherwise agreed by all concerned, be forwarded to each member of the Committee not fewer than 3 working days prior to the date of the meeting.
4. The quorum for meetings shall be two.
5. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
6. The Committee shall conduct its business as it sees fit. The provisions of the Company's articles of association regarding the proceedings of the directors shall apply equally to the proceedings of the Committee.
7. The Committee may call upon the Chief Financial Officer, representatives at the external auditors or other officers and employees of the Company to attend and speak at meetings of the Committee.
8. The Committee or its chairman shall regularly report to the Board regarding such matters as the Company's financial statements, the Company's compliance with legal or regulatory requirements, the relationship with and performance and independence of the external auditors and the performance of the internal audit function (if applicable).
9. The secretary of the Committee shall keep appropriate records of all meetings of the Committee with appropriate minutes of the proceedings and resolutions made.
10. Copies of the minutes of the meetings shall be circulated to all members of the Committee and to the chairman of the Board; any director may upon request to the secretary of the Committee, as long as there is no conflict of interest, obtain copies of the Committee's agenda and minutes.

### **D. Duties**

The Committee shall:

1. be directly responsible for the appointment, compensation, retention and oversight of the work of the external auditors (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; the external auditors must report directly to the Committee;<sup>6</sup>

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<sup>6</sup> See Rule 10A-3(b)(2) under the Exchange Act.

2. set clear hiring policies for the employees or former employees of the external auditors;<sup>7</sup>
3. consider and recommend to the Board the appointment of internal auditors (if applicable);
4. pre-approve all audit services (and associated fees) as well as any permitted non-audit services (and associated fees), subject to the de minimus exception provided by the Exchange Act;<sup>8</sup> the Committee may delegate to one or more designated members the authority to grant such pre-approvals, provided that decisions of such member(s) are presented to the full Committee at its next scheduled meeting;<sup>9</sup>
5. discuss with the external auditors such issues as compliance with accounting standards and any proposals which the external auditors have made vis-a-vis the Company's auditing standards, as well as any audit problems or difficulties and management's response;<sup>10</sup>
6. review the Company's financial reporting and internal control (from 1 January 2007) procedures, including the adequacy of such controls and any special audit steps adopted in light of material control deficiencies;<sup>11</sup>
7. review any reports released by the internal auditors (if applicable);
8. review the management of financial matters, including analyses prepared by management and or the external auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative generally accepted accounting principle ("GAAP") methods on the financial statements;<sup>12</sup>
9. review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;<sup>13</sup>
10. focus upon the independence and objectivity of the external auditors, including obtaining from the external auditors a formal written statement delineating all relationships between the external auditors and the Company, engaging in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditors and taking, or recommending that the full Board take, appropriate action to oversee the independence of the external auditors;<sup>14</sup>
11. review and evaluate the qualifications and performance of the external auditors;
12. focus on the responsibilities, budget and staffing of the Company's internal auditors (if applicable);

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<sup>7</sup> See NYSE Rule 303A.07(c)(iii)(G).

<sup>8</sup> See Section 10A(i)(1) of the Exchange Act.

<sup>9</sup> See Section 10A(i)(3) of the Exchange Act.

<sup>10</sup> See NYSE Rule 303A.07(c)(iii)(F).

<sup>11</sup> See NYSE Rule 303A.07(c).

<sup>12</sup> See NYSE Rule 303A.07(c).

<sup>13</sup> See NYSE Rule 303A.07(c).

<sup>14</sup> See Nasdaq Rule 4350(d)(1)(B).

13. review the consistency of accounting policies both on a year to year basis and across the Company/Group;
14. review major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles;<sup>15</sup>
15. review with management and the external auditors the Company's annual financial statements where not reviewed by the Board as a whole; in the light of the above, make whatever recommendations to the Board which it deems appropriate (including whether the audited financial statements should be included in the Company's annual report); and, if necessary or desirable, compile a report to shareholders to be included in the Company's annual report and accounts;
16. discuss the Company's earnings press releases, including any use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies;<sup>16</sup>
17. give due consideration to the requirements of the rules of any applicable stock exchange or association;
18. be responsible for co-ordination of the internal (if applicable) and external auditors;
19. ensure that the Head of Internal Audit (if applicable) and external auditors has the right of direct access to the chairman of the Committee;
20. ensure that the chairman of the Committee or, in his absence, an appointed deputy attends the Company's annual general meeting prepared to respond to any shareholder questions on the Committee's report and activities;
21. establish procedures for the receipt, retention and treatment of complaints received by the listed issuer regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;<sup>17</sup>
22. review and recommend to the Board for approval all related party transactions to the extent required by applicable laws or stock exchange rules;<sup>18</sup>
23. discuss policies with respect to risk assessment and risk management;<sup>19</sup>
24. evaluate the Committee's own performance on an annual basis; and
25. review and reassess the adequacy of these Audit Committee Terms of Reference on an annual basis and recommend any proposed changes to the Board for approval.<sup>20</sup>

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<sup>15</sup> See NYSE Rule 303A.07(c).

<sup>16</sup> See NYSE Rule 303A.07(c).

<sup>17</sup> See Section 10A(m)(4) of the Exchange Act and Rule 10A-(3)(b)(3) thereunder.

<sup>18</sup> See Nasdaq Rule 4350(h).

<sup>19</sup> See NYSE Rule 303A.07(c)(iii)(D).

## **E. Authority**

The Committee shall have the power and the right to:

1. seek any necessary information it requires from any employee of the Company in order to fulfil its duties; and
2. obtain outside legal and any other professional advice, at the Company's expense, which might be necessary for the fulfilment of its duties.

## **F. Limitation of Committee's Role**

While the Committee has the duties and authority set forth in this Audit Committee Terms of Reference, the fundamental responsibility for the Company's financial statements and disclosures rests with management and the external auditors.

Approved December 15, 2009

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Footnote continued from previous page.

<sup>20</sup> See Nasdaq Rule 4350(d)(1).