

ImClone Systems Incorporated
(the “Company”)

Audit Committee Charter
Adopted August 14, 2003

- I. Composition of the Committee: The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company shall be comprised of at least three directors, each of whom (i) shall be “independent” under the rules of the Nasdaq Stock Market, Inc. and the Sarbanes-Oxley Act of 2002 (the “2002 Act”), (ii) does not accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company other than in his or her capacity as a member of the Board or any committee of the Board, and (iii) is not an affiliate of the Company and does not own or control 10% or more of the Company’s voting securities, or such lower measurement as may be established by the Securities and Exchange Commission (the “SEC”). All members 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, and the Committee shall have at least one member who is an Audit Committee “financial expert”, as defined by the SEC for purposes of the 2002 Act.

No director may serve as a member of the Committee if such director serves on the audit committees of more than two other public companies unless the Board of Directors determines that such service would not impair the ability of such director to effectively serve on the Committee, and discloses this determination in the Company’s annual proxy statement. No member of the Committee may receive any compensation from the Company other than (i) director’s fees, which may be received in cash, stock options or other in-kind consideration ordinarily available to directors; (ii) a pension or other deferred compensation for prior service that is not contingent on future service; and (iii) any other regular benefits that other directors receive.

Committee members shall be appointed by the Board annually and may be removed by the Board at any time. The Board shall designate the chairperson of the Committee.

- II. Purposes of the Committee: The purposes of the Committee are to:
1. assist Board oversight of (i) the integrity of the Company’s financial statements, (ii) the Company’s procedures and processes for compliance with legal and regulatory requirements, (iii) the independent auditors’ qualifications and independence, and (iv) the performance of the independent auditors and the Company’s internal audit function; and

2. prepare the required report pursuant to the rules of the SEC for inclusion in the Company's annual proxy statement.

The function of the Committee is oversight. The management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements. Management and the internal auditing department are responsible for applying and maintaining appropriate accounting and financial reporting principles, policies and internal controls and procedures to meet the objective of compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for planning and carrying out a complete, accurate and timely audit of the Company's annual financial statements and review of the Company's quarterly Form 10-Q financial statements prior to the filing of such quarterly report and other procedures. In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company and are not, and do not represent themselves to be, performing the functions of auditors or accountants. As such, 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.

The independent auditors for the Company are accountable to the Board and the Committee, as representatives of the stockholders. The Committee is directly responsible for the appointment, compensation and oversight of the work of the independent auditors (including resolving disagreements between management and the auditors regarding financial reporting). The Committee has the authority and responsibility to appoint (subject to stockholder ratification), retain, oversee and terminate the Company's independent auditors. The Company's independent auditors shall report directly to the Committee.

The independent auditors shall submit to the Committee annually a formal written statement (the "Auditors' Statement") describing: (i) the auditors' internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review or peer review of the auditors, 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 auditors, and any steps taken to deal with any such issues; and (iii) in order to assess the auditors' independence all relationships between the independent auditors and the Company, including each non-audit service provided to the Company and the matters set forth in Independence Standards Board No. 1.

The independent auditors shall submit to the Committee annually a formal written statement of the fees billed for audit-related services, tax services and other services.

III. Meetings of the Committee:

The Committee shall meet in person or telephonically at least quarterly and in addition at the discretion of Chairman or upon the request of a majority of the

members, or upon unanimous written consent as determined by the Committee or its chairperson. The chairperson shall set meeting agendas. In addition, the Committee shall meet once every fiscal quarter, or more frequently if circumstances dictate, to discuss with management the annual audited financial statements and quarterly financial statements, as applicable. The Committee should meet separately periodically with management, including those responsible for finance, control, and legal matters, the head of the internal auditing department and the independent auditors to discuss any matters (such as the adequacy and proper, timely functioning of the Company's control, reporting and compliance systems or procedures) that the Committee or any of these persons or firms believe should be discussed privately. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.

IV. Duties and Powers of the Committee: To carry out its purposes, the Committee shall have the following duties and powers:

1. with respect to the independent auditors,
 - (i) to appoint (subject to stockholder ratification), retain, oversee and terminate the independent auditors including sole authority to approve all audit engagement fees and terms;
 - (ii) to pre-approve all audit-related services, tax services and other services to be provided by the independent auditors, which approval process shall include consideration of whether such non-audit services are compatible with maintaining the independence of the outside auditors;
 - (iii) to ensure that the independent auditors prepare and deliver annually an Auditors' Statement (it being understood that the independent auditors are responsible for the accuracy and completeness of this Statement), and to discuss with the independent auditors any relationships or services disclosed in the Auditors' Statement that may impact the quality of audit services or the objectivity and independence of the Company's independent auditors;

- (iv) to obtain from the independent auditors in connection with any audit a timely report relating to the Company's annual audited financial statements describing all critical accounting policies and practices used, all alternative treatments for policies and practices related to material items 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 any material written communications between the independent auditors and management, such as any "management" letter or schedule of unadjusted differences;
- (v) to review and evaluate the qualifications, performance and independence of the lead partner or partners of the independent auditors;
- (vi) to discuss the timing and process for the rotation of the lead audit partner and the reviewing partner, which must occur every five years;
- (vii) to take into account the opinions of management and the Company's internal auditors, if any, in assessing the independent auditors' qualifications, performance and independence; and
- (viii) to instruct the independent auditors that the independent auditors are ultimately accountable to the Board and the Committee, as representatives of the stockholders.

2. with respect to the internal auditing department,

- (i) to review annually the appointment and replacement of the head of the internal auditing department;
- (ii) to instruct the head of the internal auditing department that he or she is expected to provide to the Committee summaries of and, as appropriate, any significant reports to management prepared by the internal auditing department and management's responses thereto; and
- (iii) to review responsibilities, projects and staffing of the internal auditing department.

3. with respect to financial reporting principles and policies and internal audit controls and procedures,
- (i) to advise management, the internal auditing department and the independent auditors that they are expected to provide to the Committee a timely analysis of significant financial reporting issues and practices, including new developments, policies, or requirements applicable to the Company;
 - (ii) to consider any reports or communications (and management's and/or the internal audit department's responses thereto) submitted to the Committee by the independent auditors required by or referred to in SAS 61 (as codified by AU Section 380), as it may be modified or supplemented, including reports and communications related to:
 - deficiencies noted in the audit in the design or operation of internal controls;
 - consideration of fraud in a financial statement audit or otherwise;
 - detection of illegal acts;
 - the independent auditors' responsibility under generally accepted auditing standards;
 - any restriction on audit scope;
 - significant accounting policies adopted or employed;
 - any communications discussed with the independent auditors' national office respecting auditing or accounting issues presented by the engagement;
 - management judgments and accounting estimates;
 - any accounting adjustments arising from the audit that were noted or proposed by the independent auditors but were passed (as immaterial or otherwise);

 - the responsibility of the independent auditors for other information in documents containing audited financial statements;
 - disagreements with management;
 - consultation by management with other accountants;
 - major issues discussed with management prior to retention of the independent auditors;

- difficulties encountered with management in performing the audit;
 - the independent auditors' judgments about the quality of the Company's accounting principles;
 - reviews of interim financial information conducted by the independent auditors; and
 - the responsibilities, budget and staffing of the Company's internal audit function;
- (iii) to meet with management, the independent auditors and, as appropriate, the head of the internal auditing department:
- to review all related party transactions of the Company;
 - to discuss the scope of the annual audit;
 - to discuss the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations";
 - to discuss any significant matters arising from any audit, including any audit problems or difficulties, whether raised by management, the internal auditing department or the independent auditors, relating to the Company's financial statements;
 - to discuss any difficulties the independent auditors encountered in the course of the audit, including any restrictions on their activities or access to requested information and any significant disagreements with management;
 - to discuss any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors to the Company;
 - to review the form of opinion the independent auditors propose to render to the Board and stockholders; and

- to discuss, as appropriate: (a) any major issues regarding accounting principles and financial statement presentations, 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 and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by management, the independent auditors and/or the head of the internal auditing department 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 GAAP methods on the financial statements; and (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;
 - to review the management and general counsel representation letters to the independent auditors;
- (iv) to inquire of the Company's chief executive officer, chief financial officer, controller, vice president internal audit, general counsel and any others it may select as to the existence of any significant deficiencies in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data, any material weaknesses in internal controls, and any fraud, whether or not material, that involves management or other employees;
- (v) to discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;
- (vi) to obtain from the independent auditors assurance that the audit was conducted in a manner consistent with Section 10A of the Securities Exchange Act of 1934, as amended, which sets forth certain procedures to be followed in any audit of financial statements required under the Securities Exchange Act of 1934;

- (vii) to review and discuss with the Company's general counsel, chief executive officer and chief financial officer any significant legal, compliance or regulatory matters that may have a material effect on the financial statements or the Company's business, financial statements or compliance policies, including material notices to or inquiries received from governmental agencies and any letters received from outside law firms discussing such significant legal issues, threatened or otherwise;
- (viii) to review and discuss earnings press releases prior to being made public;
- (ix) to discuss the types of financial information and earnings guidance provided, if any, and the types of presentations made, to security analysts, portfolio managers, investment bankers (unless an appropriate confidentiality agreement is in effect) and debt rating agencies;
- (x) to establish procedures and ensure the implementation of such procedures for the receipt, retention and treatment of complaints or suggestions received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters and to review any significant complaints or suggestions regarding material accounting, internal accounting controls or auditing matters received pursuant to such procedures; and
- (xi) to establish hiring policies for employees or former employees of the independent auditors, which policies shall provide that no former employee of the independent auditors may become the chief executive officer, controller, chief financial officer or chief accounting officer (or serve in a similar capacity) if such person participated in any capacity in the Company's audit within the one-year period preceding the date of initiation of the audit.

4. with respect to reporting and recommendations,

- (i) to prepare any report or other disclosure, including any recommendation of the Committee, required by the rules of the SEC to be included in the Company's annual proxy statement;
- (ii) to review and reassess the adequacy of this Charter at least annually and recommend any changes to the full Board;
- (iii) to report its activities to the full Board on a regular basis and to make such recommendations with respect to the above and other matters as the Committee may deem necessary or appropriate; and

(iv) to 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 which evaluation 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.

V. Delegation to Subcommittee: The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. The Committee may, in its discretion, delegate to one or more of its members the authority to pre-approve any audit or non-audit services to be performed by the independent auditors, provided that any such approvals are presented to the Committee for ratification at its next scheduled meeting.

VI. Resources and Authority of the Committee: The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, accountants or other experts and advisors, as it deems necessary or appropriate, without seeking approval of the Board or management. The Audit Committee shall notify the Board of any such action.