

Lexmark International, Inc.

Finance and Audit Committee Charter

Mission Statement

The mission of the Finance and Audit Committee (“the Committee”) is to assist the Board of Directors (“the Board”) in fulfilling its oversight responsibilities with respect to:

1. the systems of internal controls over financial reporting which management has established;
2. the integrity and transparency of the Company’s financial statements;
3. the Company’s compliance with legal and regulatory requirements with respect to audit, financial and accounting matters;
4. the Company’s policies related to risk assessment and risk management;
5. the independent auditors’ qualifications and independence;
6. the performance of the independent auditors’ and the Company’s internal audit functions; and
7. the Company’s financial strategy and policies, capital structure, share repurchase and dividend policy and capital expenditures.

In performing its duties, the Committee will maintain effective working relationships with the Board, and oversight of the independent auditors, the internal auditors, and the financial management of the Company. The independent auditors shall be ultimately accountable to the Committee, and the Committee shall have the ultimate authority and responsibility for their appointment, compensation and to assess their performance. To effectively perform his or her role, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Company’s business operations and risks.

Organization

The members of the Committee will be appointed by the Board. The Committee shall be composed solely of Directors who are “independent” of management and the Company, as defined by the listing requirements of the New York Stock Exchange. A Director who does not meet certain of these requirements may be appointed to the Committee if the Board, under exceptional and limited circumstances, determines that membership on the Committee by the individual is required for the best interests of the Company and its stockholders and an exemption from the Securities and Exchange Commission independence requirements exists. There shall be at least three Directors on the Committee each of whom, as determined by the Board, shall be financially literate and at least one member of the Committee shall be an “audit committee financial expert” as defined by the

SEC. No Committee member shall simultaneously serve on the audit committees of more than two other public companies, unless the Board of Directors determines that such service would not impair the member's ability to effectively serve on the Committee.

The Committee shall meet at least four times per year or more frequently as circumstances require. The Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.

Responsibilities

It is the overriding responsibility of the Committee to oversee management, the independent auditors and the internal auditors. It is the responsibility of management to ensure that adequate internal controls over financial reporting are in place and that financial reports are completed in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The responsibility of the Committee is one of oversight and due diligence.

Internal Controls

- Periodically review management's actions to set the appropriate "control culture" by communicating the importance of internal control and management of risk.
- Review with management, the independent auditors, the Company's director of internal audit, and financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the Company, and elicit any recommendations for improvement.
- Review the controls and processes implemented by management relating to the financial statements and the underlying financial systems, and the relevant standards and requirements applicable thereto.—

Financial Reporting

- Gain an understanding of the current areas of greatest financial risk and how the management monitors and controls such exposures.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on financial reporting.
- Review the scope of the proposed independent audit for the current year and the audit procedures to be utilized.
- Meet to review and discuss the annual audited financial statements and quarterly financial statements, and the results of the audit performed in conjunction with the annual financial statements, with management and the independent auditors. The review shall include the Company's disclosures in the "Management's Discussion and Analysis of Financial Condition and Results of Operations," portion of the Company's 10-K and 10-Q filings and a recommendation to the Board whether the audited financial statements should be included in the Company's Form 10-K. Provide all information necessary for compliance with the reporting requirements of the Securities and Exchange Commission and the New York Stock Exchange.
- Discuss with the independent auditors (a) all critical accounting policies and practices to be used and any changes in accounting policies, (b) all alternative

treatments of financial information within GAAP that have been discussed with management, the ramifications of such alternative disclosures and treatments, and the accounting treatment “preferred” by the independent accountants and (c) any other material written communications with management, such as a management letter or schedule of unadjusted differences. Discuss with the independent auditors the matters relating to the conduct of the annual audit and quarterly reviews that are required to be raised by the independent accountants under generally accepted auditing standards, including any audit or review problems, difficulties or issues with management and management’s response thereto and the independent auditors judgment about the quality of the Company’s accounting principles as applied in its financial reporting.

- Discuss with management, independent auditors and internal auditors the substance and quality of reserves, judgments, and estimates used in the financial statements, and the issues that may have an impact on such reserves and estimates.
- Discuss earnings press releases and quarterly filings, as well as financial information and earnings guidance provided to analysts and rating agencies with management and the independent auditors on a timely basis.

Internal Audit

- Review the activities, resources and organizational structure of the internal audit department.
- Review and approve the appointment, promotion, compensation, reassignment or dismissal of the director of internal audit.
- Review the proposed internal audit plan for the coming year with a view toward addressing key areas of risk and appropriate coordination with the external auditors.
- Review the results of completed internal audits and significant deviations from the internal audit plan.
- Review significant findings and recommendations made by the internal auditors and management’s proposed response and subsequent actions.

Independent Auditor

- Approve the appointment, compensation, retention, dismissal and oversight of the work by the independent auditors, and report on all such matters to the Board.
- Discuss with the independent auditors the scope of their annual audit, key risk areas, how the audit plan responds to the risk of financial statement fraud, and approves modifications to the annual audit plan.
- At least annually, obtain and review a report by the independent auditor describing: the firm’s internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the 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 any such issues; and (to assess the auditor’s independence) all relationships between the independent auditor and the Company.
- Ensure the receipt from the independent auditor on a periodic basis of a formal written statement delineating all relationships between the independent auditor and

the Company, as required by the Public Company Accounting Oversight Board, that may impact their objectivity and independence and actively engage in a dialogue with the independent auditor with respect to any disclosed relationship or services being performed by the independent auditor that may impact their objectivity and independence. After considering the disclosed relationships and whether the provision of the services is compatible with maintaining the independent auditor's independence, if necessary, take, or recommend that the Board take, appropriate action in response to such disclosure to satisfy itself of the independent auditor's independence.

- In connection with the independent auditors' annual audit plan, review and preapprove all audit (including statutory audits, comfort letters, etc.) and non-audit services and fees planned to be provided, and approve in advance any additional audit and non-audit services and fees proposed to be provided from time to time. The authority to approve in advance any proposed services exceeding previously approved budgeted amounts, or additional audit and non-audit services proposed to be provided from time to time, in each case not exceeding \$50,000 in amount per proposal, shall be delegated to the Chair of the Committee, provided that the Chair of the Committee report such preapprovals to the full Committee at its next regularly scheduled meeting.

Compliance and Risk

- Discuss policies with respect to risk assessment and risk management.
- Understand the major legal and compliance risks facing the Company, how management addresses those risks, what impact the risks have on the financial statements, and how management monitors for emerging risks.
- 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 Company's financial statements or accounting policies.

Finance Related Areas

- Review with management and make recommendations to the Board related to the following areas:
 - The Company's financing strategy
 - Debt and equity financings
 - The global corporate legal and tax structure
 - Share repurchases
 - Dividend policy
 - Status and results of major capital projects

General Responsibilities

- Provide an open environment of communication among the internal auditors, the independent auditors and the Board of Directors.

- Meet, as required, with the director of internal audit, the independent auditors, and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee.
- Establish procedures for receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, including anonymous submissions by employees.
- If the Committee determines it to be appropriate, institute special investigations and/or hire and direct special counsel, experts or advisors at the expense of the Company.
- On an annual basis, review and reassess the adequacy of the Committee's charter and, if necessary, recommend changes to the Corporate Governance and Public Policy Committee.
- Perform an annual performance evaluation of the Committee.
- Maintain minutes or other records of meetings and activities of the Committee.
- Report Committee actions to the Board with such recommendations as the Committee may deem appropriate.
- Review and approve in advance the employment by the Company of any employee or former employee of the independent auditors who worked on the Company's account at any time during the three year period prior to such employment; provided, however, that the Committee shall not approve the Company's employment of any employee or former employee of the independent auditors who performed audit, review or attest services within the one year period prior to employment by the Company.

While the Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with accounting principles generally accepted in the United States of America. Nor is it the duty of the Committee to conduct investigations or to assure compliance by the Company and the independent auditors with laws and regulations and their policies and procedures.