

## **AUDIT COMMITTEE CHARTER SIGMA-ALDRICH CORPORATION**

The Board of Directors of Sigma-Aldrich Corporation (the “Company”) hereby adopts this Charter to govern the composition of its Audit Committee (the “Committee”) and the scope of the Committee’s duties and responsibilities and to set forth the specific actions that the Board of Directors expects the Committee to undertake in fulfilling those duties and responsibilities.

### **I. STATEMENT OF PURPOSE**

The Committee will (A) assist the Board of Directors in fulfilling the Board of Directors’ oversight responsibilities with regard to (1) the integrity of the Company’s financial statements, (2) the Company’s compliance with legal and regulatory requirements, (3) the independent public accountant’s qualifications and independence, (4) the performance of the Company’s internal audit function and independent public accountant, and (5) the Company’s accounting and financial reporting processes and audits of the Company’s financial statements and (B) prepare the Audit Committee report that Securities and Exchange Commission (“SEC”) rules require be included in the Company’s annual proxy statement. 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 prepared in accordance with generally accepted accounting principles. The primary responsibility for the Company’s financial statements and internal controls rests with the Company’s management.

The Board of Directors recognizes that the Committee necessarily will rely on the advice and information it receives from the Company’s management, internal auditors and independent public accountant. Recognizing these inherent limitations on the scope of the Committee’s review, however, the Board of Directors expects the Committee to exercise independent judgment in assessing the quality of the Company’s financial reporting process and its internal controls. The Board of Directors also expects that the Committee will maintain free and open communication with the other directors, the Company’s independent and internal auditors and the financial management of the Company.

### **II. COMPOSITION OF THE COMMITTEE**

The Committee shall be comprised of at least three members of the Board of Directors, with the number of members to be determined from time to time by the Board of Directors. The members shall be recommended by the Corporate Governance Committee and appointed by the Board of Directors. Each member of the Committee shall, in the judgment of the Board of Directors, meet all qualifications set forth in The Nasdaq Stock Market Rules or any other applicable rules governing audit committees of such other exchange on which the Company’s stock may be traded from time to time, or any successor rules, and any other legal or regulatory requirements, including (A) being independent as defined under Rule 4200 of The Nasdaq Stock Market Rules, (B) meeting the criteria for independence set forth in Section 301 of the Sarbanes-Oxley Act and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, (C) not having participated in the preparation of the financial statements of the Company at any time during the past three years, (D) not owning or controlling 20% or more of the Company’s voting securities, or such lower measurement as may be established by the SEC in rulemaking under Section 301 of the Sarbanes-Oxley Act, and (E) being able to read and understand fundamental financial statements. In addition, at least one member of the Committee must be a “financial expert” as defined by the SEC and in Rule 4350(d) of The Nasdaq Stock Market Rules.

### **III. MEETINGS**

The Committee shall meet at least four (4) times annually or more frequently as the Committee may from time to time determine to be appropriate. Unless the Board has previously designated a Chair, the members of the Committee may designate a Chairman by majority vote. A majority of Committee members shall constitute a quorum. The action of a majority of those present at a meeting shall constitute the act of the Committee. One or more of these meetings shall include separate executive sessions with the Company’s management, the independent public accountant and the Director-Internal Audit.

Further meetings shall occur, or matters shall be submitted for action by unanimous written consent, when deemed necessary or desirable by the Committee, its Chairman or the Chief Executive Officer. In addition, teleconferences may also be held at such other times as shall be reasonably requested by the Chairman of the Board of Directors, the Chairman of the Committee, the independent public accountant, the Director-Internal Audit or the Company's financial management.

The Chair shall prepare the agenda for Committee meetings, subject to the right of the Committee members to suggest additional items for the agenda. Agendas are shared with Committee members in advance of meetings. As a general rule, subject to appropriate procedures to protect the confidentiality of particularly sensitive information, appropriate background and explanatory materials concerning matters to be discussed at Committee meetings shall be sent to Committee members in advance.

At the invitation of the Chair, meetings may be attended by the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Corporate Controller, the Treasurer, the Director-Internal Audit, representatives from the independent public accountant, and other members of management and persons as are appropriate to matters under consideration.

The Committee and its members shall have complete access to management. The Committee may engage the services of outside advisors if it shall determine such services to be necessary or appropriate for the proper discharge of its duties. Should any member of the Committee believe that participation of management or outside advisors in discussion of a particular subject would be advisable, they are encouraged to make that request.

Written minutes pertaining to each meeting will be filed with the Chairman of the Board of Directors by the Committee Chairman or his or her delegate. The Chair will present an oral report of Committee meetings and other proceedings at each Board meeting. Proposals which require Board action will normally be submitted by the Committee to the Board in writing.

#### **IV. RESOURCES AND AUTHORITY**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including full access to the Company's employees and officers and internal or external advisors or consultants. If in the course of fulfilling its duties the Committee wishes to consult with outside legal, accounting or other advisors, the Committee may retain these advisors without seeking the Board of Directors' approval. The Company shall provide for appropriate funding, as determined by the Committee, for payment (i) of compensation to the independent public accountant for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, (ii) to any advisors employed by the Committee and (iii) of ordinary administrative expenses of the Committee necessary or appropriate for carrying out its duties. However, no Committee member may accept any consulting, advisory, or other compensatory fee from the Company other than for Board of Directors service.

#### **V. AUTHORITIES, DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

The authorities, duties and responsibilities of the Committee shall include the following:

##### **A. Independent Public Accountant**

As part of its authorities, duties and responsibilities related to the independent public accountant, the Committee shall:

1. Be directly responsible and have sole authority for the appointment, compensation, retention and oversight of the work of the Company's independent public accountant (including resolution of disagreements between management and the independent public accountant regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit,

review or attest services for the Company. The independent public accountant shall report directly to the Committee.

2. Approve all auditing services (which may entail providing comfort letters in connection with securities underwritings) and non-audit services (other than those prohibited under Section V.A.3), including the fees therefor, to be provided to the Company by the independent public accountant prior to engagement of the independent public accountant to provide such services, with such de minimus exceptions as are permitted under the Section 10A(i) of the Securities Exchange Act of 1934, Rule 2-01(c)(7) of Regulation S-X or other applicable law or rule of the Securities and Exchange Commission. The Committee may delegate to one or more designated members of the Committee who are independent directors of the Board of Directors the authority to grant such preapprovals, provided that policies and procedures are detailed as to the particular service and the pre-approval decisions of any member to whom authority is so delegated is presented to the full Committee at each of its scheduled meetings. Without limiting the generality of the foregoing, the Committee shall review all tax services with respect to, among other things, their impact on the independence of the audit firm.

3. Consider any non-audit assignments awarded to the independent public accountant and determine whether or not these are compatible with maintaining the general independence of the independent accounting firm, provided that the Committee shall not permit the Company's independent public accountant to perform any of the non-audit services prohibited under Section 10A(g) of the Securities Exchange Act of 1934, Rule 2-01(c)(4) of Regulation S-X or other applicable law or rule of the Securities and Exchange Commission, except to the extent that the Public Accounting Oversight Board provides an exemption.

4. Confirm that the Company's Chief Executive Officer, Controller, Chief Financial Officer, Treasurer, or any person serving in an equivalent position for the Company did not participate, as an employee of the Company's independent public accountant, in any capacity in the Company's audit for the one year period preceding the date of the initiation of the audit.

5. Set clear hiring policies for employees or former employees of the independent public accountant by the Company to address conflicts of interest and pressures that may exist for employees of the independent public accountant that may be seeking or at some point seek employment with the Company.

6. Evaluate the qualifications, performance and independence of the Company's current independent public accountant, including whether the independent public accountant's quality controls are adequate and the provision of non-audit services is compatible with maintaining the public accountant's independence, and present the Committee's conclusions to the full Board on at least an annual basis. As part of such evaluation, the Committee shall:

- a. obtain and review a report by the Company's independent public accountant describing:
  - i. the audit firm's internal quality-control procedures, and
  - ii. any material issues raised by the most recent internal quality-control review or peer review of the audit firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more audits carried out by the audit firm, and any steps taken to deal with any such issues;
- b. receive the written disclosures and letter from the Company's independent public accountant contemplated by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, as may be modified or supplemented, and discuss with the

independent public accountant any issues required to be discussed regarding their objectivity and independence;

- c. review and evaluate the lead partner of the independent public accountant;
- d. confirm that the partners of the independent public accountant have been rotated from the Company engagement as required by Rule 2-01(c)(6) of Regulation S-X or other applicable law or rule of the Securities and Exchange Commission;
- e. consider whether, in order to assure continuing public accountant independence, there should be regular rotation of the audit firm itself;
- f. receive assurances from the independent public accountant that its compensation policies comply with Rule 2-01(c)(8) of Regulation S-X and other applicable laws and Securities and Exchange Commission rules, including, without limitation, prohibiting the establishment of compensation or the allocation of partnership units to audit partners based on the sale of non-audit services to the partner's audit clients; and
- g. confirm that the independent public accountant is registered with the Public Company Accounting Oversight Board if and when such registration is required.

In making its evaluation, the Committee should take into account the opinions of management and the Company's internal auditors. Based on the representations regarding independence and the results of such evaluation, determine whether to re-appoint or replace the independent public accountant and present its conclusions to the full Board of Directors.

7. Meet with the independent public accountant and financial management of the Company in advance of the annual audit to review its proposed scope, the proposed scope of the quarterly reviews, and the procedures to be followed in conducting the audit and the reviews.

8. Review and discuss with the Company's independent public accountant:

- a. reports of (i) all critical accounting policies and practices to be used, (ii) all alternative treatments of financial information within generally accepted accounting principles for policies and practices related to material items that have been discussed with management officials of the Company, including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Company's independent public accountant, and (iii) other material written communications between the Company's independent public accountant and the management of the Company, such as any management letter or schedule of unadjusted differences;
- b. their views about the quality of the Company's financial and accounting personnel;
- c. any matters required to be discussed by Statement of Auditing Standards ("SAS") 61, as amended by SAS 90 and as may be further modified or supplemented. These requirements include discussions as to the judgments of the independent public accountant regarding the quality of the Company's accounting principles and financial disclosures, as well as the independent public accountant's views about whether management's choices of accounting principles, from the perspective of income, asset, and liability recognition, are appropriate; and
- d. any audit problems, difficulties or disagreements with management, including any restrictions on the scope of the independent public accountant's activities or on access to requested information, and management's response. Among the items the Committee may want to

review with the independent public accountant are: any accounting adjustments that were noted or proposed by the independent public accountant but were “passed” (as immaterial or otherwise); any communications between the audit team and the audit firm’s national office respecting auditing or accounting issues presented by the engagement; and any “management” or “internal control” letter issued, or proposed to be issued, by the audit firm to the Company.

9. Review and discuss with management, the internal auditors and the independent public accountant, in separate meetings if the Committee deems appropriate:

a. the Company’s financial statements proposed to be included in the Company’s public earnings reports and the Company’s Annual Report on Form 10-K and quarterly reports on Form 10-Q, including the Company’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and related footnotes and other financial information to be included in the Company’s Form 10-K and Form 10-Qs, prior to filing. If deemed appropriate, after consideration of the reviews and discussion, recommend to the Board of Directors that the financial statements be included in the Annual Report on Form 10-K;

b. any comments or inquiries from the Securities and Exchange Commission relating to the Company’s financial statements or other financial matters included in the Company’s periodic filings with the Commission;

c. any major issues regarding significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including any significant changes in the Company’s selection or application of accounting principles;

d. any legal matters that are reasonably likely to have a material effect on the Company’s financial statements;

e. the effect of regulatory and accounting initiatives on the Company’s financial statements, as well as off-balance sheet arrangements, as defined by the SEC;

f. disclosures made to the Audit Committee by the Company’s Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K or Form 10-Q regarding any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company’s internal controls; and

g. any relevant significant recommendations that the independent public accountant may have.

10. Discuss the following with the Company’s management, internal auditors and independent public accountant:

a. at least quarterly, the adequacy and effectiveness of the Company’s internal financial controls and disclosure controls and procedures;

b. at least annually, the management letter issued by the independent public accountant and management’s response thereto;

c. at least quarterly, actions management has taken or progress it has made in addressing issues raised by the independent public accountant; and

d. at least quarterly, the Company's major financial risk exposures and the steps that have been taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

**B. Internal Auditors**

As part of its authorities, duties and responsibilities related to the internal auditors, the Committee shall:

1. Approve the annual audit plan, charter, responsibilities and staffing of the Internal Audit Department, including the appointment and replacement of the senior internal audit executive.
2. Review annually with the independent public accountants and the Director, Internal Audit the coordination of audit efforts to ensure completeness of coverage, reduction of redundant efforts and the effective use of audit resources.
3. Receive regular reports of major findings by internal auditors and how management is addressing the conditions reported.

**C. Miscellaneous**

As part of its other authorities, duties and responsibilities, the Committee shall:

1. Authorize and oversee investigations deemed appropriate by the Committee into any matters within the Committee's scope of responsibility as described in this Charter or as may be subsequently delegated to the Committee by the Board of Directors, with the power to retain independent counsel, accountants and other advisors and experts to assist the Committee if deemed appropriate, as described in Section IV above.
2. Prepare the disclosure required of the Committee by S-K Item 306 of the Securities and Exchange Commission regulations to be included in the Company's annual proxy statement.
3. Review this Charter on an annual basis and make recommendations to the Board of Directors concerning any changes deemed appropriate. The Committee Charter and/or any significant changes thereto, will be disclosed at least triennially in the annual report to shareholders or in the proxy statement.
4. Review and approve all related party transactions between the Company and any Company officer or member of the Board of Directors. The term "related party transaction" shall be read consistently with SEC Regulation S-K, Item 404(a).
5. Generally discuss with management, the Company's policies with respect to earnings press releases and all financial information, such as earnings guidance, provided to analysts and rating agencies, including the types of information to be disclosed and the types of presentation to be made and paying particular attention to the use of "pro forma" or "adjusted" non-GAAP information. The Committee or its Chairman may review any of the Company's earnings press releases as the Committee or the Chairman deems appropriate.
6. Establish procedures for: (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The Committee shall review any significant complaints or concerns regarding accounting, internal accounting controls or auditing matters received pursuant to such procedures.

7. Report regularly to the Board of Directors and review with the full Board of Directors any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent public accountant, or the performance of the internal audit function.

8. While the fundamental responsibility for the Company's financial statements and disclosures rests with management and the independent public accountants, the Committee will review: (a) 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 and/or the independent public accountant 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 the treatment preferred by the independent public accountant; (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the company; and (d) earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information), as well as financial information and earnings guidance provided to analysts and rating agencies.

9. Oversee compliance with the Company's Financial Officer Code of Ethics for Senior Financial Officers and report on such compliance to the Board of Directors.

10. Review, annually, the Committee's performance and determine whether improvements can be made.

11. The Committee shall perform any other duties or responsibilities expressly delegated to the Committee by the Board of Directors.