



Bristol-Myers Squibb Company

AUDIT COMMITTEE CHARTER

Purposes

The Audit Committee (“Committee”) is appointed by and generally acts on behalf of the Board of Directors (the “Board”). The Committee’s purposes shall be: (a) to assist the Board in its oversight of (i) the quality and integrity of the Company’s financial statements, financial reporting and disclosure controls and procedures, including internal controls; (ii) the performance of the Company’s internal audit function; and (iii) the Company’s compliance with legal and regulatory requirements; (b) to interact directly with and evaluate the performance of the independent auditors, including to determine whether to engage or dismiss the independent auditors and to monitor the independent auditors’ qualifications and independence; and (c) to prepare annually the report required by the rules of the Securities and Exchange Commission (“SEC”) for inclusion in the proxy statement for the Company’s annual meeting of stockholders.

The Committee's responsibilities are principally of an oversight nature. Although the Committee has the responsibilities set forth in this Charter, it is not the responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are accurate, complete and stated in accordance with generally accepted accounting principles ("GAAP") and other applicable rules and regulations.

Management is responsible for the preparation, presentation, and integrity of the Company’s financial statements, including ensuring that the financial statements are accurate, complete and stated in accordance with GAAP and, together with the other financial information included in the Company’s public disclosures, fairly present the financial condition, results of operations and cash flows of the Company. Management is also responsible for the Company's financial reporting process, accounting policies, internal audit function, internal accounting controls and disclosure controls and procedures. The independent auditors are responsible for planning and conducting an audit of the Company's annual financial statements, expressing an opinion as to the conformity of such annual financial statements with GAAP and reviewing the Company's quarterly financial statements.

Composition

The Committee shall consist of three or more independent directors of the Company designated by the Committee on Directors and Corporate Governance

and approved by a majority of the whole Board of Directors by resolution or resolutions. Any director who is a present or former employee of the Company may not serve on the Audit Committee. The members of the Committee shall meet the independence and experience requirements of the New York Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934 and SEC rules and regulations.

In addition, the members of the Committee shall be financially literate as determined by the Board in its business judgment or must become financially literate within a reasonable amount of time after appointment to the Committee. Members of the Committee are not required to be engaged in the accounting or auditing profession and, consequently, some members may not be expert in financial matters or in matters involving accounting or auditing. However, to the extent possible, at least one member of the Committee shall, in the judgment of the Board, be an "audit committee financial expert" in accordance with the rules and regulations of the SEC and at least one member, who may also serve as an "audit committee financial expert," shall in the judgment of the Board have accounting and financial management expertise in accordance with New York Stock Exchange rules.

The members of the Committee shall serve one-year terms. The Directors and Corporate Governance Committee shall recommend, and the Board shall designate, one member of the Committee to serve as Chairperson. The members of the Committee shall serve until their resignation, retirement, or removal by the Board and until their successors shall be appointed. No member of the Committee shall be removed except by majority vote of the independent directors of the full Board then in office.

The Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to retain independent legal counsel, accounting or other consultants or experts to advise the Committee. The Committee may also utilize the services of the Company's regular legal counsel and other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to any advisors employed by the Audit Committee.

Generally, no member of the Committee may serve simultaneously on the audit committees of more than three public companies (including the Company) without specific Board determination that such simultaneous service will not impair the ability of such Committee member to serve on the Committee.

Meetings

The Committee shall meet at least six times annually, or more frequently as circumstances dictate. The Committee will meet at least six times annually in separate executive sessions with the Company's General Auditor, with

management, and with the independent auditors to discuss any matters that the Committee or each of these groups believes should be discussed privately. The Committee may also 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.

Member Compensation

No Committee member shall accept, directly or indirectly, any consulting, advisory or other compensatory fees from the Company, except for the member's fees for services as a director and member of the Committee and any other committees of the Board.

Responsibilities and Duties

The Committee shall:

- (1) have the sole authority and responsibility for the appointment and termination of the Company's independent auditors. The Committee also shall be responsible for setting the compensation and retention terms for, and overseeing and evaluating the performance of, the independent auditors for the purpose of preparing or issuing an audit report or related work. The independent auditors shall report directly to the Committee.
- (2) have sole authority and responsibility to pre-approve all auditing services, internal control-related services and permitted non-audit services (including the terms thereof) to be performed for the Company by its independent auditor, subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit. The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.
- (3) ensure that the Committee receives from the independent auditors the written disclosures and letter required by Independence Standards Board Standard 1 delineating all relationships between the independent auditors and the Company; the Committee shall discuss with the independent auditors their independence, including any disclosed relationships or services that may impact the auditors' objectivity and independence. If deemed appropriate by the Committee, the Committee may recommend that the Board of Directors take appropriate action in response to the independent auditors' report to satisfy itself of their independence. The Committee shall also confirm with the independent auditors that the

- independent auditors are in compliance with the partner rotation requirements established by the SEC.
- (4) ensure that the Committee annually receives and reviews a report from the independent auditors describing (a) the auditing firm's internal quality-control procedures, (b) 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 or a private sector regulatory board, within the preceding five years, relating to independent audits carried out by the firm, and any steps taken to deal with any such issues, and (c) all relationships between the independent auditor and the Company.
 - (5) review with the independent auditors and with management the proposed scope of the annual audit, past audit experience, the Company's internal audit program, recently completed internal audits and other matters bearing upon the scope of the audit. The discussion will include a review of any audit problems or difficulties, including any restrictions on the scope of the independent auditors' activities or on access to requested information, any significant disagreements with management and management's responses to such matters. The Committee shall be responsible for resolution of any disagreements between the independent auditors and management regarding financial reporting.
 - (6) meet to review and discuss with management and the independent auditors the annual audited and quarterly financial statements of the Company including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations prior to the filing of a report on Form 10-K or 10-Q with the Securities and Exchange Commission. This discussion should include (i) matters required to be discussed by Statement on Auditing Standards No. 61, "Communications with Audit Committees," as then in effect in the case of annual statements, and Statement of Auditing Standards No. 100, "Interim Financial Information," as then in effect in the case of quarterly statements; and (ii) major issues regarding accounting principles and financial statement presentations, including critical accounting estimates and judgments, 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 special audit steps adopted in light of any material control deficiencies.
 - (7) recommend to the Board based on the review described in paragraphs 3 and 6 whether the audited financial statements should be included in the Company's annual report on Form 10-K.

- (8) review and discuss with the independent auditors reports that the independent auditors are required to provide to the Committee relating to significant financial reporting issues and judgments made in connection with preparation of the Company's financial statements, including, among other things, (i) the Company's selection, application and disclosure of accounting policies and practices that the independent auditors identify as critical; (ii) all alternative treatments of GAAP that have been discussed between management and the independent auditors, including the ramifications of such treatments and the treatment preferred by the independent auditors, and (iii) any material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
- (9) after reviewing the reports from the independent auditors and the independent auditors' work throughout the audit period, conduct an annual evaluation of the independent auditors' qualifications, performance and independence. This evaluation shall include review and evaluation of the lead audit partner. In making its evaluation, the Committee shall take into account the opinions of management and the Company's General Auditor. The Committee shall present its conclusions with respect to the independent auditors to the full Board.
- (10) discuss with management and with the independent auditors the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies. The Committee's discussion in this regard may be general in nature (such as the type of information to be disclosed and the type of presentation to be made). The Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.
- (11) discuss periodically with management the Company's policies and guidelines regarding risk assessment and risk management, as well as the Company's major financial risk exposures and steps management has taken to monitor and control such exposures.
- (12) review the appointment and replacement of, and meet periodically with, the General Auditor to review the Internal Audit Department's Reports of Operations and discuss any matters that the General Auditor believes warrant Committee attention.
- (13) establish and maintain 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 Company employees of concerns regarding questionable accounting or auditing matters.

- (14) discuss periodically with management and the independent auditors the adequacy of the Company's disclosure controls and procedures, including applicable internal controls and procedures for financial reporting and changes in internal controls designed to address any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees that are reported to the Committee. In addition, the Committee shall review and discuss with management and the independent auditors (i) the annual report of management affirming management's responsibility for establishing and maintaining internal controls over financial reporting and assessing the effectiveness of the internal control structure over financial reporting and (ii) the independent auditors' report on, and attestation of, management's report when those reports are required by SEC rules. Additionally, the Committee shall provide oversight over and review the effectiveness of management's antifraud programs and controls.
- (15) confirm with management on at least a biennial basis that the Company's Standards of Business Conduct and Ethics have been communicated by the Company to all key employees of the Company and its subsidiaries throughout the world with a direction that all such key employees certify that they have read, understand and are not aware of any violations of the Standards of Business Conduct and Ethics. The Committee shall have the sole responsibility to grant waivers of the Standards of Business Conduct and Ethics and the Code of Ethics to Senior Financial Officers to the Company's executive officers and senior financial officers.
- (16) meet periodically with the Company's Chief Compliance Officer and the General Counsel to discuss and review legal matters that may have a material impact on the financial statements or the Company's policies and procedures and internal controls and advise the Board on these discussions.
- (17) establish policies for the hiring by the Company of employees or former employees of the independent auditors.
- (18) shall review and make recommendations to the Board with respect to relevant financial affairs and policies of the Company, including matters relating to capital structure, financing activities and insurance.
- (19) through the Committee's Chair, regularly report to the full Board on the Committee's activities and actions.

- (20) provide the Company and the Board with the report of the Committee with respect to the audited financial statements for inclusion in the Company's annual proxy statement as required by SEC rules.
- (21) annually evaluate the Committee's own performance and deliver a report to the Board setting forth the results of the evaluation.
- (22) review and reassess the adequacy of the Committee charter on an annual basis and submit any recommended changes to the Board for consideration.
- (23) perform any other activities consistent with this Charter, the Company's bylaws and governing law, as the Committee or the Board deems necessary or appropriate.