

**Charter  
of the  
Audit Committee  
of the  
Board of Directors  
of  
Cambrex Corporation**

**I. PURPOSE**

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) for the purpose of assisting the Board in fulfilling its responsibility to oversee (i) the integrity of the Company’s financial reporting process, including the financial reports and other financial information provided by the Company to its stockholders, any governmental or regulatory body and the public; (ii) the Company’s systems of internal accounting and financial controls; (iii) the annual independent audit of the Company’s financial statements; (iv) the independent auditors’ qualifications and independence; and (v) the Company’s compliance with legal and regulatory requirements to the extent set forth herein.

**II. ORGANIZATION AND MEMBERSHIP**

The Committee shall consist of three or more directors as may be fixed from time to time by the Board. Consistent with the appointment of other Board committees, the members of the Committee shall be appointed by the Board after considering the recommendation of the Governance Committee at the annual organizational meeting of the Board or at such other time as may be determined by the Board, to serve for a term of one year, unless any member shall sooner resign or be removed, with or without cause, by the Board prior to the expiration of his or her term. The Board may appoint a director to fill any vacancy created on the Committee for any reason, and such successor shall serve for the remainder of the term of the Committee member he or she is replacing. Consistent with the designation of other Chairs of other Board committees, the Chairperson of the Committee shall be designated by the Board, after considering the recommendation of the Governance Committee, provided that if the Board does not so designate a Chairperson, the members of the Committee, by majority vote, may designate a Chairperson.

Each member of the Committee shall satisfy, as such requirements are interpreted by the Board in its business judgment, (i) the independence requirements of the Sarbanes-Oxley Act of 2002 and any rules promulgated by the Securities and Exchange Commission (“SEC”) thereunder or by the New York Stock Exchange, (ii) the financial literacy requirements of the New York Stock Exchange, including the requirement that at least one member of the Committee have accounting or related financial management expertise, and (iii) any other legal or regulatory requirements. At least one member of the Committee must be an “audit committee financial expert” as defined by the SEC. A member who satisfies this definition of audit committee financial expert will also be presumed to have accounting or related financial management expertise. If a Committee member or proposed Committee member simultaneously serves on the audit committees of more than two other public companies, the Board must determine whether such

simultaneous service would impair the ability of such member to effectively serve on the Committee.

The Committee has the powers and responsibilities set forth in this charter and may from time to time delegate authority to subcommittees when appropriate.

The Committee may act by the affirmative vote of a majority of its members at a meeting, or without a meeting if all members indicate their approval in writing.

### **III. LIMITATION ON AUDIT COMMITTEE'S ROLE**

The Committee's role is one of oversight and it recognizes that the Company's management is responsible for preparing the Company's financial statements and that the Company's independent auditors are responsible for auditing those financial statements. In carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditors' work.

### **IV. OVERSIGHT FUNCTIONS**

The following functions shall be the common recurring activities of the Committee in carrying out its oversight function. These functions are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances. The Committee also shall carry out any other functions delegated by the Board to the Committee related to the purposes of the Committee set forth in Section I of this Charter.

#### ***A. Oversight of Independent Auditors and the Audit Process***

The Company's independent auditors shall report directly to the Committee. The Committee shall:

1. Have the sole authority and responsibility to appoint, retain (subject to stockholder ratification), approve compensation for, evaluate and, where appropriate, terminate the independent auditors, and in this connection, to the extent necessary or appropriate with respect to oversight of the Company and the independent auditors relationship, the Committee shall:
  - (a) consider such matters as (i) the experience and qualifications of the senior members of the independent auditors' team, (ii) the independent auditors' audit plan and procedures and (iii) whether there should be a regular rotation of the firm acting as the Company's independent auditors;
  - (b) ensure the regular rotation of the independent auditors' lead (or coordinating) audit partner and concurring review partner to the extent required by law;

- (c) request from the independent auditors annually a formal written statement delineating all relationships between the auditors and the Company consistent with applicable independence standards;
  - (d) annually obtain and review a report from the independent auditors describing: (i) the independent auditors' internal quality-control procedures; (ii) any material issues raised during the most recent internal quality-control review, or peer review, or in any review by a governmental or professional association within the preceding five years with respect to an audit carried out by the independent auditors; (iii) any steps taken to address such issues; and (iv) all relationships and services between the independent auditors and the Company and their impact on the independent auditors' independence, all with a view to evaluating the independent auditors' (including the lead partner's) qualifications, performance and independence;
  - (e) the Committee shall review with the independent auditors all material communications between the independent auditors and management, such as any management letter or schedule of unadjusted audit differences; and
  - (f) obtain from the independent auditors assurance that, to the extent applicable, Section 10A(b) of the Securities Exchange Act of 1934, as amended, has not been implicated.
2. Have the sole authority to review and determine the independent auditors' compensation and the proposed terms of their engagement.
  3. Have the sole authority to approve, in advance, the retention of the independent auditors for any permissible non-audit service and the fee for such service, provided that the Chairman shall have authority to approve, in advance, permissible services and fees up to a maximum of \$25,000 which approval shall be brought to the attention of the Committee at its next meeting.
  4. Establish guidelines for the Company's hiring of employees of the independent auditors, which guidelines shall meet the requirements of applicable law, regulations and listing standards.

***B. Oversight of Financial Statement Preparation and Financial Reporting***

The Committee shall:

1. Meet with the independent auditors prior to the audit to discuss the planning and staffing of the audit.

2. Review and discuss with management and the independent auditors the audited financial statements to be included in the Company's Annual Report on Form 10-K (or the Annual Report to Stockholders if distributed prior to the filing of Form 10-K), including the Company's disclosure under Management's Discussion and Analysis of Financial Condition and Results of Operations. The Committee shall inquire of management and the independent auditors whether there were any significant financial reporting issues and judgments made in connection with such financial statements. The Committee shall determine whether to recommend inclusion of these financial statements in these reports.
3. Review with management and the independent auditors the Company's interim financial results to be included in the Company's Quarterly Reports on Form 10-Q, including the Company's disclosure under Management's Discussion and Analysis of Financial Condition and Results of Operations. The Committee shall inquire of management and the independent auditors whether there were any significant financial reporting issues and judgments made in connection with such financial statements.
4. Review with the independent auditors on a periodic basis (not less than quarterly) the matters required to be discussed by applicable auditing standards, and in particular shall discuss:
  - (a) all critical accounting policies and practices to be used;
  - (b) all alternative treatments of financial information within GAAP for policies and practices related to material items that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments and the independent auditors' preferred treatment;
  - (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences;
  - (d) any problems or difficulties the auditors may have encountered in the course of their audit work, including restrictions on the scope of activities or access to requested information; and
  - (e) any other material judgmental areas where there may have been differing views between management and the independent auditors, including with regard to accounting, disclosure and presentation matters.

5. Review and discuss with management, internal audit staff (or other personnel responsible for the internal audit function) and the independent auditors any material issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles.
6. Discuss generally with management the types of information to be disclosed and types of presentations to be made in connection with earnings press releases and presentations to analysts and rating agencies, including the inclusion and presentation of "non-GAAP financial measures".
7. Review and approve all related person transactions required to be disclosed pursuant to SEC Regulation S-K, Item 404.

***C. Oversight of the Internal Audit Function, Compliance Matters and Controls***

The Committee shall:

1. Review the adequacy of the staffing and budget of the Company's internal audit staff, including the appointment and replacement of the senior internal auditing executive.
2. Discuss with the independent auditors the responsibilities, budget and staffing of the Company's internal audit function.
3. Review the significant reports to management prepared by the internal auditing department and management's responses.
4. Consider and discuss with management, internal audit staff and the independent auditors the quality and adequacy of the Company's internal controls, including any material weaknesses and significant deficiencies in the design or operation of those controls which could adversely affect the Company's ability to record, process, summarize and report financial data and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls, and discuss with the independent auditors how the Company's financial systems and controls compare with industry practices.
5. Obtain reports from and discuss with management the Company's major financial risk exposures and the Company's guidelines and policies governing the process by which management assesses and manages the Company's exposure to risk.

6. Obtain reports from management, the Company's senior internal auditing executive and the independent auditors with respect to compliance by the Company and its subsidiary/foreign affiliated entities with applicable legal requirements and the Company's Code of Business Conduct and Ethics, and advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.
7. Confer with the Company's General Counsel about legal matters that may have a material impact on the financial statements or the Company's compliance policies.
8. Review and discuss with management and the internal auditor (or other personnel responsible for the internal audit function) the Company's procedures and practices designed to provide reasonable assurance that: (i) the Company's books, records, accounts and internal accounting controls are established and maintained in compliance with the Foreign Corrupt Practices Act of 1977 and similar laws and regulations to which the Company is subject, and (ii) there are adequate company level controls in place to prevent or detect (A) any improper or illegal disbursement of corporate funds or property of value or (B) the making of any arrangement on behalf of the Company which may provide for or result in the improper or illegal disbursement of funds or property of value, in order that the Company be in compliance with such laws and regulations.
9. Periodically (but no less than annually) discuss the process by which risk assessment and management is undertaken.
10. Review with management and the independent auditors: (i) material pending legal proceedings and any other contingent liabilities that may have a material impact on the Company's financial statements; (ii) the financial statement effects of pending regulatory and accounting initiatives, including any correspondence with governmental regulators or agencies or published reports that raise material issues regarding the Company's financial statements or accounting policies; and (iii) the potential impact of off-balance sheet structures on the Company's financial statements.
11. Establish procedures for the receipt, retention and treatment of complaints and allegations which are received by or otherwise come to the attention of the Company regarding accounting, internal accounting controls or auditing matters.
12. Establish procedures for employees of the Company to report to the Committee, on an anonymous and confidential basis, concerns with respect to accounting or auditing matters.

13. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Company's annual and quarterly filings with the Securities and Exchange Commission about any significant deficiencies in the design or operation of the Company's internal control over financial reporting and disclosure procedures and controls, or material weaknesses therein, and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.
14. Review annually a summary of expenses of all "officers," as defined in Section 16 of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder, and shall be engaged to review on a periodic basis any expenses not currently contemplated by the Company's internal expense policy.

## **V. PROCEDURES**

The Committee shall:

1. Meet as often as deemed necessary or appropriate in its judgment, either in person or by telephone, and report regularly (but not less than quarterly) to the Board. Any member of the Committee may call a meeting of the Committee upon due notice to each other member at least twenty-four hours prior to the meeting (provided that participation in any meeting shall be deemed to constitute waiver of any deficiency). The chairperson of the Committee will preside at each meeting of the Committee and shall set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson will ensure that the agenda for each meeting, together with any other relevant materials, are circulated as soon as reasonably practicable in advance of the meeting.
2. Meet on a periodic basis (not less than quarterly), in separate executive sessions, with each of management, the internal auditors and the independent auditors.
3. Meet with the General Counsel or other designated compliance officer not less than quarterly for an update of any compliance and ethics issues and not less than annually to review the implementation and effectiveness of the compliance and ethics program.
4. In discharging its oversight role, be empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company, and to request any officer or other 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.

5. Review with the Board on a regular basis 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 independent auditors, the performance of the internal audit function and the implementation and effectiveness of the compliance and ethics program.
6. Conduct an annual performance self-evaluation.
7. Review the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for its approval.
8. Prepare an Audit Committee Report for inclusion in the Company's proxy statement.

## **VI. COMMITTEE RESOURCES**

The Committee shall have the authority to engage, determine funding and other retention terms for, and, if necessary, terminate such independent counsel, experts and other advisors as the Committee deems necessary or appropriate to assist in the performance of its functions, and the Company shall make such funding available to the Committee. The officers of the Company shall cause the Company to enter into such retainer or engagement agreements as may be directed by the Committee in order to engage such advisor.

## **VII. DISCLOSURE**

This Charter shall be made available on the Company's website. The Company shall include a statement in its Annual Report to Stockholders on Form 10-K indicating that a copy of this Charter is available on its website and in print to any stockholder who requests a copy and specifying how such request may be made.