

## **COLGATE-PALMOLIVE COMPANY AUDIT COMMITTEE CHARTER**

### **Purpose**

There shall be an Audit Committee (the "Committee") which will assist the Board of Directors in its oversight regarding: (1) the integrity of the financial statements of the Company, (2) the independent accountants' qualifications and independence, (3) the performance of the Company's internal audit function and independent accountants, (4) the enterprise risk management process and (5) the compliance by the Company with legal and regulatory requirements. The Committee shall prepare the Audit Committee Report required by the rules of the Securities and Exchange Commission (the "Commission") to be included in the Company's annual proxy statement.

### **Committee Membership**

The Committee shall be appointed by the Board of Directors in accordance with the Company's by-laws. The Committee shall consist of at least three directors, each of whom in the Board's judgment satisfies the applicable independence and other membership requirements of the New York Stock Exchange (the "NYSE"), the Commission and other applicable regulations. It is desirable that each Committee member shall be an "audit committee financial expert" as defined in the rules of the Commission. Committee members shall not simultaneously serve on the audit committees of more than two other public companies.

### **General responsibilities**

The Committee shall:

1. Maintain open communications with the internal auditors, the independent accountants, management, and the Board of Directors. The Committee may ask members of management or others to attend meetings and may request any information it deems relevant from management.
2. In its discretion, conduct or authorize investigations into matters within its scope of responsibility.

3. Meet separately in executive sessions with the senior internal audit executive, the Company's independent accountants, the Chief Financial Officer, the Chief Legal Officer and the Chief Ethics and Compliance Officer at each regularly scheduled Committee meeting (other than telephonic meetings) and with other members of management from time to time as appropriate to discuss any matters the Committee or these persons or groups believe should be discussed privately.
4. Review policies and procedures covering officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of those areas by the internal audit department or the independent accountants.
5. Review periodically with the Chief Legal Officer any legal and regulatory matters that may have a material effect on the Company's financial statements, operations, compliance policies and programs.
6. Review with management the activities of the Global Ethics and Compliance function, including its monitoring of compliance with the Company's Code of Conduct and Business Practices Guidelines.
7. Approve and review procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
8. Recommend to the Board of Directors whether the audited financial statements be included in the Company's Annual Report on Form 10-K.
9. Recommend to the Board of Directors restrictions on the Company's hiring of employees or former employees of the independent accountants who were engaged on the Company's account.
10. Review with management, the Chief Legal Officer, the senior internal audit executive and the independent accountants, disclosures of insider and affiliated party transactions.

11. Review significant reports to management prepared by the internal auditor and management's responses.
12. Obtain from the independent accountants assurance that Section 10(A)(b) of the Securities Exchange Act of 1934 has not been implicated.
13. Oversee enterprise risk management of the Company and the implementation of appropriate risk monitoring and management systems.
14. Take any other actions required of the Committee by law, applicable regulations, or as may be requested by the Board of Directors.

**Responsibilities regarding the engagement of the independent accountants and the appointment of the internal auditor**

The Committee shall:

1. Have the sole authority to appoint or replace the independent accountants (subject, if applicable, to stockholder ratification). The Committee shall be directly responsible for the compensation and oversight of the work of the independent accountants engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The independent accountants shall report directly to the Committee.
2. Review the experience and qualifications of the senior members of the independent accountants' audit team.
3. At least annually, obtain and review any and all reports required by the NYSE or the Commission relating to the independent accountants' internal quality control procedures (including any material issues raised by internal or peer reviews or governmental authorities and any steps taken to address any such issues).
4. Review and pre-approve all audit and permitted non-audit services to be performed by the independent accountants.
5. Review and concur in the appointment, replacement, reassignment or dismissal of the senior internal audit executive. The senior internal audit

executive shall report the matters within his or her authority directly to the Committee.

6. Ensure the independent accountants deliver to the Committee annually a formal written statement delineating all relationships between the independent accountants and the Company in accordance with the applicable requirements of the Public Company Accounting Oversight Board; discuss with the independent accountants any relationships or services disclosed in such statement that may impact the objectivity and independence of the Company's independent accountants. The Committee shall present its conclusions with respect to the independent accountants to the Board. Review and discuss with the independent accountants the nature and scope of any tax services to be approved, as well as the potential effects of the provisions of such services on the independent accountants' independence.
7. Review and evaluate the lead engagement partner of the independent accountants and, approximately every five years when the Committee considers the rotation of the lead engagement partner of the independent accountants, consider whether there should be a regular rotation of the independent accountants in order to assure continuing auditor independence.
8. Before the engagement of an independent accountant and at least annually thereafter, review and discuss with the independent accountants the independent accountants' written communications to the Committee regarding the relationships between the independent accountants and the Company that, in the independent accountants' professional judgment, may reasonably be thought to bear on their independence, and affirm in writing to the Board that the independent accountants are independent.
9. Discuss with the independent accountants the planning and staffing of the audit.

**Responsibilities for reviewing internal audits, the annual external audit and the review of financial statements**

The Committee shall:

1. Request the independent accountants to confirm that they report directly to the Committee and that they will provide the Committee with timely analyses of significant financial reporting and internal control issues.
2. Review with management the Company's risk assessment and risk management policies and significant risks and exposures identified by management, the internal auditors or the independent accountants, and management's steps to address them.
3. Review the scope of the internal audits with the senior internal audit executive and the scope of the external audit with the independent accountants.
4. Review with management, the independent accountants and the senior internal audit executive:
  - a. The Company's internal controls, including computerized information system controls and security.
  - b. Any significant findings and recommendations made by the independent accountants or internal audit.
5. After the completion of the annual audit examination (and before the audit report is filed with the Commission), meet to review and discuss with management and the independent accountants:
  - a. The Company's annual financial statements and related footnotes, including the specific disclosures made in Management's Discussion and Analysis.
  - b. The independent accountants' audit of and report on the financial statements and internal control over financial reporting.
  - c. The qualitative judgments about the appropriateness and acceptability of accounting principles, financial disclosures and underlying estimates, including (i) critical accounting policies and practices to be used and (ii) alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, including ramifications of the use of such alternative disclosures and treatments.

- d. Other material written communications between the independent accountants and management, such as any management letter or schedule of unadjusted differences.
  - e. The matters required to be discussed by Statement on Accounting Standards No. 114 relating to the conduct of the audit, including any significant difficulties or disputes with management encountered during the course of the audit and management's response.
  - f. The effect of regulatory and accounting initiatives.
  - g. The effect of off-balance sheet structures, if any, on the Company's financial statements.
  - h. Any major issues as to the adequacy of the Company's internal controls, any special audit steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.
  - i. Any other matters about the audit procedures or findings that standards of the Public Company Accounting Oversight Board (United States) require the auditors to discuss with the Committee, including any material written communications between the independent accountants and management.
6. Meet to review and discuss with management and the independent accountants the Company's quarterly financial statements, including the specific disclosures made in Management's Discussion and Analysis and the results of the independent accountants' review of the quarterly financial statements.
7. Discuss with the independent accountants material issues on which the national office of the independent auditor was consulted by the Company's audit team.
8. Discuss with management earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information and generally discuss financial information and earnings guidance provided to analysts and rating agencies.
9. Discuss with management and the independent accountants (i) any significant deficiencies in the design or operation of internal controls and any material weaknesses therein, (ii) any fraud involving management or other employees who have a significant role in the Company's internal

- controls and (iii) any employee complaints or published reports which raise material issues regarding the Company's accounting, internal accounting controls or auditing matters.
10. Review with management and the senior internal audit executive:
    - a. Any difficulties the internal auditor encountered while conducting audits, including any restrictions on the scope of work or access to required information.
    - b. Any changes to the planned scope of the internal audit plan that the Committee thinks advisable.
    - c. The internal audit department's budget and staffing.

### **Committee Structure and Operations**

1. The Committee shall:
  - a. Meet at least four times each year and at such other times as it deems necessary to carry out its responsibilities (the Chair of the Committee may call a Committee meeting whenever deemed necessary and the Chair of the Committee shall develop, in consultation with management when appropriate, the Committee agenda).
  - b. Make regular reports of its proceedings to the Board.
  - c. On an annual basis, review its own performance.
2. The Committee shall have the authority to:
  - a. Form and delegate authority to subcommittees in its discretion (provided that any decisions of such subcommittee to grant pre-approvals of audit and permitted non-audit services will be presented to the full Committee at its next scheduled meeting).
  - b. Retain independent counsel, accountants and other advisers, as it deems necessary or appropriate, to assist in the conduct of its duties, including the sole authority to approve the fees and other retention terms of any such outside advisers.