

**EXPRESS SCRIPTS, INC.  
AUDIT COMMITTEE CHARTER**

**Adopted May 24, 2000  
Last amended February 11, 2004**

The Board of Directors of Express Scripts, Inc. (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 specific actions the Board of Directors expects the Committee to undertake to fulfill those duties and responsibilities.

A. COMPOSITION

The Committee shall be comprised of not less than three nor more than five members of the Board of Directors (as determined from time to time by the Board), each of whom, in the business judgment of the Board, shall satisfy the independence and experience requirements set forth in the Nasdaq Marketplace Rules (or the rules of any exchange on which the Company’s Stock may be subsequently listed) and any other legal or regulatory requirements. At least one member of the Committee shall be a “financial expert” as defined by the Securities Exchange Commission (“SEC”), unless the Company does not have on its Board a Director who meets such requirements and is willing to serve on the Committee.

Members of the Committee shall be recommended by the Company’s Corporate Governance Committee and be elected by the full Board. The Committee members will be listed in the annual report to stockholders.

B. MISSION STATEMENT

The Committee is a part of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities with respect to (i) the integrity of the Company’s financial statements; (ii) oversight of the Company’s compliance with securities laws, including financial and disclosure requirements; (iii) the system of internal controls that management has established and the performance of the Company’s internal audit function; and (iv) the qualifications, independence and performance of the Company’s independent accountants. In addition, the Committee provides an avenue for communication between internal audit, the independent accountants, financial management and the Board. The Committee should have a clear understanding with the independent accountants that they must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the independent accountants is to the Board and the Committee. The Committee will make regular reports to the Board concerning its activities.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.

C. 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 Board approval. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent accountants for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee.

D. STRUCTURE AND OPERATIONS

The Board shall designate one member of the Committee as its Chair. The Committee may meet in person or telephonically or act by unanimous written consent. A majority of the Committee shall constitute a quorum for the transaction of business, and a majority of those present at a meeting shall constitute the act of the Committee. The Committee Chair, in consultation with Committee members, shall determine the schedule of meetings of the Committee. Further meetings shall occur, or matters submitted for action by unanimous written consent, when deemed necessary or desirable by the Committee, its Chair or the Chief Executive Officer. The Committee shall meet no less than quarterly in separate executive sessions with the Chief Financial Officer (and/or other management personnel), the Director of Internal Audit and the independent accountants.

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. The content of the agenda shall be reviewed with the Chair of the Committee prior to finalization and distribution to the Committee as a whole. Where practicable, materials should be distributed to Committee members prior to each Committee meeting.

The Committee may delegate all or a portion of its duties and responsibilities to subcommittees of the Committee.

The Committee Chair may invite such members of management and representatives of the independent accountants and internal audit and other persons to the Committee's meetings as he or she may deem desirable or appropriate.

E. AUTHORITIES, DUTIES AND RESPONSIBILITIES

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

1. To have the sole authority to select, retain and terminate the Company's independent accountants. The Committee shall be directly responsible for the compensation and oversight of the work of the independent accountants (including resolution of disagreements between management

and the independent accountants regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent accountants shall report directly to the Committee. The Committee shall:

- (a) Review and discuss with the independent accountants the scope, staffing and general extent of the audit. The Committee's review should include an explanation from the independent accountants of the factors considered by the accountants in determining the audit scope, including the major risk factors. The independent accountants should confirm to the Committee that no limitations have been placed on the scope or nature of their audit procedures.
- (b) Pre-approve all services, both audit (including all audit engagement fees and terms), and permitted non-audit, to be performed for the Company by the independent accountants, considering whether provision of the proposed services is compatible with maintaining auditor independence. In this regard, the Committee:
  - (i) may consult with management in the decision making process, but may not delegate this authority to management; and
  - (ii) may, from time to time, delegate its authority to pre-approve such services to one or more Committee members, provided that any such approvals are presented to the full Committee at the next scheduled Audit Committee meeting.
- (c) Evaluate the independent accountants' qualifications, performance and independence, including considering whether the independent accountants' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the independent accountants' independence, and present the Committee's conclusions and recommendations with respect to the independent accountants to the full Board on at least an annual basis. As part of such evaluation, the Committee shall:
  - (i) Review a report or reports prepared at least annually by the independent accountants describing:
    - (A) the independent accountants' internal quality control procedures,
    - (B) any material issues raised by (i) the most recent peer or internal quality control review of the firm or (ii) by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one

or more audits carried out by the firm and any steps taken to deal with any such issues, and

- (C) all relationships between the independent accountants and the Company, consistent with Independent Standards, Board Standard 1, and providing confirmations with respect to the SEC's auditor independence rules.
- (ii) Review and evaluate the senior members of the independent accountants' team, particularly the lead partner.
- (iii) Discuss with management and internal audit their views of the independent accountants' performance.
- (iv) Confirm that the independent accountants are registered with the Public Accounting Oversight Board.

The Committee shall set clear policies with management for the hiring of current or former employees of the independent accountants who participated in any capacity in the audit of the Company, which policies shall be consistent with Section 206 of the Sarbanes-Oxley Act of 2002 and any regulations thereunder.

2. To review and discuss with management, internal audit and the independent accountants, in separate meetings if the Committee deems it appropriate:
  - (a) the annual audited financial statements, related footnotes and other financial information to be included in the Company's Form 10-K, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A"), prior to the filing of the Form 10-K and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K,
  - (b) the quarterly financial statements, related footnotes and other financial information to be included in the Company's Form 10-Q, including the Company's disclosures under MD&A, prior to the filing of the Company's Form 10-Q,
  - (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 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,

- (d) analyses prepared by management and/or the independent auditor 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,
  - (e) the effect of regulatory and accounting initiatives on the Company's financial statements as well as off-balance sheet structures, if any, and
  - (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.
3. To review and discuss with the independent accountants:
- (a) reports from the independent accountants on:
    - (i) all critical accounting policies and practices to be used,
    - (ii) all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent accountants, and
    - (iii) other material written communications between the independent accountants and management, such as any management letter or schedule of unadjusted differences;
  - (b) their judgments about the quality of the Company's accounting principles used in financial reporting and receive a written confirmation provided by the independent accountants at the end of each of the four quarters of the year that they have nothing to report to the Committee. if that is the case, or the written enumeration of required reporting issues; and
  - (c) their views about the quality of the Company's financial and accounting personnel.
4. To discuss with the independent accountants any audit problems or difficulties and management's response thereto, including those matters required to be communicated by the independent accountants by

Statement on Auditing Standards (SAS) 61 as amended by SAS 90 relating to the conduct of the audit, including:

- (a) any restrictions on the scope of activities or access to requested information,
- (b) any significant disagreements with management,
- (c) any accounting adjustments that were noted or proposed by the independent accountants but were “passed” (as immaterial or otherwise)
- (d) any communications between the audit team and the independent accountants’ 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 independent accountants to the Company.

The Committee shall receive a written communication provided by the independent accountants concerning their judgment about the quality of the Company’s accounting principles, as outlined in SAS 61 as amended by SAS 90, and that they concur with management’s representation concerning audit adjustments.

- 5. To review with the Company’s management, internal audit and independent accountants the Company’s significant accounting and financial reporting controls, any major issues as to the adequacy of the Company’s internal controls, the Company’s disclosure controls and procedures, and any special audit steps adopted in light of material control deficiencies. Obtain annually in writing from the independent accountants their letter as to the adequacy of such controls.
- 6. To meet with management, internal audit and the independent accountants to discuss any relevant significant recommendations that the independent accountants may have.
- 7. To 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 presentations to be made and paying particular attention to the use of “pro forma” or “adjusted” non-GAAP information. The Committee or its Chair may review any of the Company’s earnings press releases as the Committee or the Chair deems appropriate.
- 8. To discuss with management and internal audit 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.

9. To review the scope of internal audit's work plan for the year. The Committee should discuss the responsibilities, budget and staffing of internal audit with the independent accountants. The Committee should also receive regular reports of major findings by internal audit and how management is addressing the conditions reported.
10. To review the appointment and replacement of the senior internal audit executive.
11. To oversee compliance with the Company's Code of Business Conduct and Ethics for Senior Financial Officers and report on such compliance to the Board.
12. To establish procedures for:
  - (a) the receipt, retention, and treatment of complaints received regarding accounting, internal accounting controls or auditing matters, and
  - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee shall review any significant complaints regarding accounting, internal accounting controls or auditing matters received pursuant to such procedures.

13. To review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. This should be done in compliance with applicable NASDAQ Audit Committee requirements.
14. Any other duties or responsibilities expressly delegated to the Committee by the Board.

#### F. COMMITTEE REPORT

The Committee shall produce and provide to the Board the audit committee report for inclusion in the Company's proxy statement in accordance with applicable SEC rules and regulations.

#### G. ANNUAL REVIEW

The Committee shall evaluate its performance on an annual basis and develop a criteria for such evaluation. The Committee's performance shall also be reviewed annually by the Corporate Governance Committee.