

**CHARTER
OF THE
AUDIT COMMITTEE
OF
SIEBEL SYSTEMS, INC.**

The Audit Committee of the Board of Directors of Siebel Systems, Inc. (the “Committee”) shall consist of a minimum of three directors. Members of the Committee shall be appointed by the Board of Directors upon the recommendation of the Nominating and Corporate Governance Committee and may be removed by the Board of Directors in its discretion. All members of the Committee shall be independent directors under the standard adopted by the Nasdaq National Market (“Nasdaq”). All members shall have sufficient financial experience and ability to enable them to discharge their responsibilities and at least one member shall be a financial expert.

The purpose of the Committee shall be to assist the Board of Directors in its oversight of the integrity of the financial statements of the Company, of the Company's compliance with legal and regulatory requirements, of the independence and qualifications of the independent auditor, and of the performance of the Company's internal audit function and independent auditors. The independent auditors shall report directly to the Committee.

In furtherance of this purpose, the Committee shall have the following authority and responsibilities:

1. To discuss with management and the independent auditor the annual audited financial statements and quarterly financial statements, including matters required to be reviewed under applicable legal, regulatory or Nasdaq requirements.
2. To discuss with management and the independent auditor, as appropriate, earnings press releases and financial information and earnings guidance provided to analysts and to rating agencies.
3. To recommend, for stockholder approval, the independent auditor to examine the Company's accounts, controls and financial statements. The Committee shall have the sole authority and responsibility to select, evaluate and if necessary replace the independent auditor. The Committee shall have the authority to monitor the rotation of the partners of the independent auditors on the Company's audit engagement team, as required by applicable law. The Committee shall have the sole authority to approve all audit engagement fees and terms and the Committee, or a member of the Committee, must pre-approve any non-audit service provided to the Company by the Company's independent auditor.
4. To discuss with management and the independent auditor, as appropriate, any audit problems or difficulties and management's response, and the Company's risk assessment and risk management policies, including the Company's major financial risk exposure and steps taken by management to monitor and mitigate such exposure. The Committee shall also resolve conflicts or disagreements regarding financial reporting.

5. To review the Company's financial reporting and accounting standards and principles, significant changes in such standards or principles or in their application and the key accounting decisions affecting the Company's financial statements, including alternatives to, and the rationale for, the decisions made.
6. To review and approve the internal corporate audit staff functions, including: (i) purpose, authority and organizational reporting lines; (ii) annual audit plan, budget and staffing; and (iii) concurrence in the appointment, compensation and rotation of the head of the internal corporate audit staff.
7. To review, with the CFO, the head of the internal corporate audit staff, or such others as the Committee deems appropriate, the Company's internal system of audit and financial controls and the results of internal audits.
8. To obtain and review at least annually a report from the independent auditor delineating: the auditing firm's internal quality-control procedures and any material issues raised within the preceding year by the auditing firm's internal quality-control reviews or by the Public Company Accounting Oversight Board's reviews of the firm. The Committee will also review steps taken by the auditing firm to address any findings in any of the foregoing reviews. Also, in order to assess auditor independence, the Committee will review at least annually all relationships between the independent auditor and the Company.
9. To prepare and publish an annual Committee report in the Company's proxy statement.
10. To set policies for the hiring of employees or former employees of the Company's independent auditor.
11. To review and investigate any matters pertaining to the integrity of management, including conflicts of interest, related-party transactions or adherence to standards of business conduct as required in the policies of the Company or by applicable laws, rules and regulations. This should include regular reviews of the compliance processes. In connection with these reviews, the Committee will meet, as deemed appropriate, with the general counsel and other Company officers or employees.
12. To establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, including the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters as required by applicable law and as deemed appropriate.

The Committee shall meet separately at least quarterly with management, with the corporate audit staff and also with the Company's independent auditors.

The Committee shall have authority to retain such outside counsel, experts and other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and compensation to (a) the Company's independent auditors for the purpose of rendering or issuing an audit report and (b) to any outside advisors employed by the Committee pursuant to this Charter.

The Committee shall report its recommendations to the Board of Directors after each Committee meeting.