



Audit Committee Charter

Purpose

The Audit Committee (the "Committee") shall report to and assist the Board of Directors (the "Board") of Johnson & Johnson (the "Company") by providing oversight of the financial management, independent auditors and financial reporting procedures of the Company, as well as such other matters as directed by the Board or this Charter.

Membership

1. The Committee shall be comprised of not less than three members of the Board.
2. Members of the Committee shall be appointed and may be removed by the Board.
3. The composition of the Committee shall meet all the requirements of the Audit Committee Policy of the New York Stock Exchange, which, among other things, prohibits any officer or employee of the Company from serving on the Committee.
4. Each Committee member shall have no other relationship to the Company that may interfere with the exercise of his or her independence from management and the Company, including the receipt from the Company of any compensation other than directors' fees and other compensation related to their service as a director.
5. Each Committee member shall be financially literate or shall become financially literate within a reasonable period of time after appointment to the Committee.

Committee Chairman

The Board shall designate one member of the Committee to act as the Chairman of the Committee. The Committee member so designated shall (a) chair all meetings of the Committee; and (b) perform such other activities as from time to time are requested by the other Committee members or as circumstances indicate.

Meetings

1. The Committee will meet formally at least four times each fiscal year.
2. The Committee will hold separate private meetings at least twice each fiscal year with each of the Vice President of Internal Audit, a representative of the independent auditors, the General Counsel, and the Chief Financial Officer.
3. In the discretion of the Chairman of the Committee, but at least once each year, the members of the Committee shall meet in Executive Session.

Duties and Responsibilities

The Company's management is responsible for preparing the Company's financial statements and the independent auditors are responsible for auditing these financial statements. The Committee is responsible for overseeing the conduct of these activities by the Company's management and the independent auditors, and the integrity of the Company's financial statements. The financial management and the independent auditors of the Company have more time, knowledge and more detailed information on the Company than do Committee members. Consequently, 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. The Committee is also responsible for preparing the Report of the Audit Committee that SEC rules require be included in the Company's annual proxy statement.

In carrying out its oversight responsibilities, the Committee shall perform the following functions:

Oversight of Independent Auditors.

In the course of its oversight of the independent auditors as provided under this Charter, the Committee will be guided by the premise that the independent auditors are ultimately accountable to the Committee.

1. The Committee shall have the ultimate authority and responsibility to appoint, retain, compensate, evaluate and, when appropriate, terminate the independent auditors. This responsibility includes resolving disagreements between management and the independent auditors regarding financial reporting. The Committee shall oversee the qualifications, independence and performance of the independent auditors.
2. The Committee shall:

- a. receive from the independent auditors annually, a formal written statement delineating the relationships between the auditors and the Company consistent with Public Company Accounting Oversight Board ("PCAOB") Rule 3526, *Communication with Audit Committees Concerning Independence*;
 - b. discuss with the independent auditors the scope of any such disclosed relationships and their impact or potential impact on the independent auditors' independence and objectivity; and
 - c. recommend that the Board take appropriate action in response to the independent auditors' report to satisfy itself of the auditor's independence.
3. The Committee shall review and approve the original proposed scope of the annual independent audit of the Company's financial statements and the associated engagement fees, as well as any significant variations in the actual scope of the independent audit and the associated engagement fees.
 4. The Committee shall set hiring policies for employees or former employees of the independent auditors.
 5. At least annually, the Committee shall obtain and review a report by the independent auditors describing: the firm's internal quality-control procedures; 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, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditors and the Company.
 6. The Committee shall review with the independent auditors any difficulties the auditors encountered in the course of the audit work, including restrictions on the scope of work or access to requested information, and any significant disagreements with management.

Oversight of Internal Auditors.

The Committee shall review and discuss with management and the independent auditors:

1. The quality and adequacy of the Company's internal accounting controls.
2. The organization of the internal audit department, the adequacy of its resources and the competence and performance of the internal audit staff.
3. The audit risk assessment process and the proposed scope of the internal audit department for the upcoming year, the coordination of that scope with independent auditors, and any significant changes to the internal audit plan.
4. Results of the internal auditors' examination of internal controls including summaries of inadequate reports issued and/or management improprieties together with management's response thereto.

Oversight of Management's Conduct of the Company's Financial Reporting Process.

1. *Audited Financial Statements.* The Committee shall 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 Shareholders if distributed prior to the filing of Form 10-K), including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and review and consider with the independent auditors the matters required to be discussed by the applicable Auditing Standards issued by the PCAOB (the "Auditing Standards"). Based on these discussions, the Committee will advise the Board of Directors whether it recommends that the audited financial statements be included in the Annual Report on Form 10-K (or the Annual Report to Shareholders).
2. *Interim Financial Statements.* The Committee shall discuss with management and the independent auditors, prior to the filing thereof, the Company's interim financial results to be included in the Company's quarterly reports on Form 10-Q, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the matters required to be discussed by the applicable Auditing Standards.
3. *Financial Reporting Practices.* The Committee shall review:
 - a. Changes in the Company's accounting policies and practices and significant judgments that may affect the financial results.
 - b. The nature of any unusual or significant commitments or contingent liabilities together with the underlying assumptions and estimates of management.
 - c. The effect of changes on accounting standards that may materially affect the Company's financial reporting practices.
4. *Financial Information Disclosure.* The Committee shall in a general manner discuss earnings press releases, as well as the types of financial information and earnings guidance that are given to analysts and rating agencies.
5. *Risk Assessment.* The Committee shall discuss with management the guidelines, policies and processes relied upon and used by management to assess and manage the Company's exposure to risk.

Assist the Board in Oversight of the Company's Financial Reporting Compliance.

1. The Committee shall review and monitor, as appropriate:
 - a. Litigation or other legal matters that could have a significant impact on the Company's financial results.
 - b. Significant findings of any examination by regulatory authorities or agencies, in the areas of securities, accounting

or tax, such as the U.S. Securities and Exchange Commission or the U.S. Internal Revenue Service.

- c. The Company's disclosure controls and procedures.
2. By approving and adopting recommendations of management, the Committee shall ensure that procedures have been established for the receipt, retention and treatment of complaints from Company employees on accounting, internal accounting controls or auditing matters, as well as for the confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters.

Oversight of Committee Matters

1. The Committee shall report regularly to the Board on its meetings and discussions and review with the Board significant issues or concerns that arise at Committee meetings, including its evaluation of the independent auditors.
2. The chairman or any one or more members of the Committee, as designated by the Committee, may act on behalf of the Committee.
3. The Committee may form and delegate authority to subcommittees when appropriate.
4. The Committee shall have authority and appropriate funds to retain and consult with outside legal, accounting or other advisors as the Committee may deem appropriate.
5. The Committee shall conduct an annual evaluation of its performance in fulfilling its duties and responsibilities under this Charter, and shall assess the adequacy of the reporting and information provided by management to support the Committee's oversight responsibilities.
6. The Committee shall, on an annual basis, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.