

**United States Lime & Minerals, Inc.**  
**Amended and Restated**  
**Audit Committee Charter**

**I. Organization**

This Charter governs the organization of the Audit Committee and the scope of its duties and responsibilities. The Audit Committee shall, at least annually, review and assess the Charter, report to the Board of Directors the results of that review and assessment, and recommend any changes for the approval of the Board.

The Audit Committee shall be appointed by and serve at the pleasure of the Board of Directors and shall be composed of at least three members of the Board who, as determined by the Board, are independent and meet the other qualification standards set by federal and state legislation and regulation, applicable listing standards of the Nasdaq Stock Market, and this Charter. Each member of the Audit Committee shall be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement. At least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any comparable experience or background which results in the individual's financial sophistication. The Audit Committee shall determine whether one of its members qualifies as an "audit committee financial expert" as defined by the Securities and Exchange Commission. Unless the Board of Directors has previously designated the Audit Committee Chairman, the members of the Audit Committee shall elect a Chairman by majority vote. The duties and responsibilities of the Chairman of the Audit Committee shall be to call meetings of the Audit Committee and to preside at such meetings and to perform such other functions of the Audit Committee as may be delegated to him.

**II. Statement of Policy**

The Audit Committee shall assist the Board of Directors in overseeing the integrity of the Company's financial statements and financial reporting and accounting processes, the Company's compliance with financial regulatory requirements, the performance of the Company's internal audit function, if any, the outside auditors' qualifications and independence, the performance of the outside auditors, and the audits of the Company's financial statements and of the Company's internal accounting controls for financial reporting when required. The Audit Committee shall be directly responsible for the appointment, compensation, retention, evaluation, and oversight of the work of the outside auditors (including the resolution of any disagreements between management and the outside auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company, and the outside auditors shall report directly to the Audit Committee. In so doing, it is the duty and responsibility of the Audit Committee to maintain free and open communication between and among the Committee, the outside auditors, and the management of the Company. In discharging its duties and responsibilities, the Audit Committee is empowered to investigate any matter with full access to all books, data, records,

facilities and personnel of the Company. The Audit Committee shall have the power to retain independent counsel and other advisors (including the Company's regular counsel or other advisors) at the Company's expense and to pay ordinary administrative expenses of the Audit Committee that it determines are necessary or appropriate in carrying out its duties and responsibilities.

### **III. Oversight Duties and Responsibilities**

The Audit Committee's oversight function recognizes that the Company's management is responsible for preparing the Company's financial statements and that the outside auditors are responsible for auditing those financial statements. Additionally, the Audit Committee recognizes that the Company's financial management, as well as its outside auditors, has more knowledge and more detailed information regarding the Company and its financial reports than do Audit Committee members. Consequently, the Audit Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the outside auditors' independence or the performance of their work; similarly, the Audit Committee is not independently verifying management representations, conducting an audit or investigation of the financial statements, or determining that the financial statements are true and complete, have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), or fairly present the financial condition, results of operations, or cash flow of the Company in accordance with GAAP.

The directors serving on the Audit Committee shall have no greater standard of liability in the performance of their duties and responsibilities than the standard of liability applicable to all directors. Audit Committee members who were previously employed by the Company or who have special training or experience in financial, accounting, or auditing matters shall have no greater duty or responsibility as a result of such prior training, services or experience. Members of the Audit Committee shall have the full protection against personal liability for breach of fiduciary duties as set forth in the NINTH Article of the Articles of Incorporation, adopted by the shareholders in the meeting of January 25, 1994. In addition, members of the Audit Committee shall be entitled to be indemnified against liability by the Company as provided in the NINTH Article of the Articles of Incorporation and Article Nine of the Bylaws.

### **IV. Functions**

The following functions shall be the principal recurring activities of the Audit Committee in carrying out its oversight duties and responsibilities. The functions are set forth as minimum duties and responsibilities with the understanding that the Audit Committee may undertake such additional duties and responsibilities as the Board of Directors or the Audit Committee may deem necessary or appropriate given the circumstances. The duties and responsibilities of the Audit Committee shall include all of the duties and responsibilities set forth in Rules 10A-3(b),(2), (3), (4) and (5) under the Securities Exchange Act of 1934, as amended.

- The Audit Committee shall have a clear understanding with management and the outside auditors that the outside auditors are directly accountable to the Audit Committee.

- The Audit Committee shall discuss with the outside auditors the overall scope and plans for their audits, including the adequacy of staffing, rotation requirements, independence and compensation. Also, the Audit Committee shall discuss with management and the outside auditors the adequacy and effectiveness of the Company's internal control over financial reporting. Further, the Audit Committee shall meet separately with the outside auditors, with and without management present, to discuss the results of their examinations.
- The Audit Committee shall review and discuss with management and the outside auditors the Company's annual audited and quarterly unaudited financial statements, the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operation" and any other financial disclosures, and the selection, application, and disclosure of critical accounting policies and practices, including any changes to those policies and practices and alternatives considered, used in such financial statements, and shall review and discuss with the principal executive and financial officers their certifications in and/or accompanying the related report. The Audit Committee shall also review and discuss with the outside auditors the matters required to be discussed by Statements of Auditing Standards and rules or regulations of the Securities Exchange Acts, as may be modified or supplemented. The discussion of the financial statements and related critical accounting policies and practices shall occur prior to the public release of such financial statements, and the discussion of the related financial disclosures, including the "Management's Discussion and Analysis of Financial Condition and Results of Operation," shall occur prior to the filing of the Form 10-Q or Form 10-K. Additionally, based on such review and discussion, the Audit Committee shall consider whether to recommend to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K.
- The Audit Committee shall oversee the administration of the Company's Code of Business Conduct and Ethics and shall review and approve all related-party transactions as required by the rules of the Nasdaq Stock Market or other applicable legal or regulatory requirements.
- The Audit Committee shall discuss with management and the outside auditors policies with respect to risk assessment and risk management and the quality and adequacy of the Company's internal controls and processes that could materially affect the Company's financial statements and financial reporting. The Audit Committee shall review with the outside auditors any audit problems or difficulties and management's response thereto.
- The Audit Committee shall:
  - Establish hiring policies for employees or former employees of the outside auditors;
  - Pre-approve all auditing services to be provided by the outside auditors;

- Pre-approve all permissible non-auditing services, including tax services, to be provided by the outside auditors, subject to such exceptions as may be determined by the Audit Committee to be appropriate and consistent with applicable legal and regulatory provisions;
  - Receive reports from the outside auditors regarding critical accounting policies and practices, alternative treatments of financial information and GAAP, the effects of regulatory and accounting initiatives, off-balance sheet arrangements, and other developments that could have a significant effect on the Company's financial statements; the use of non-GAAP financial information; any audit problems or difficulties encountered by the outside auditors, including any restrictions on the outside auditors' access to information or personnel, and management's response to same; any material communications from the outside auditors to management, such as any management letter, report of possible fraud or illegality, or schedule of significant unadjusted differences, and such other information as may be required by legal and regulatory provisions;
  - Receive from the outside auditors annually a formal statement regarding the outside auditors' internal quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the firm, and any steps taken by the firm to address the issues raised; and all relationships between the outside auditors and the Company consistent with Independence Standards Board Standard No. 1, as may be modified or supplemented by such other standards as may be set by law or regulation, the Nasdaq Stock Market rules or the rules of the Public Company Accounting Oversight Board;
  - Discuss with the outside auditors in an active dialogue any such disclosed relationships or services that may impact the objectivity and independence of the auditors and take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the outside auditors; and
  - Evaluate, at least annually, the outside auditors' independence and performance, including a review of the audit engagement team, the lead audit partner, and the rest of the firm, and report to the Board of Directors the Committee's determinations with respect thereto.
- The Audit Committee and its members shall have complete access to the management of Company and the Company's financial and accounting personnel, recognizing that it is expected that members of the Audit Committee will use judgment to ensure that such access is not distracting to the business operations of the Company.
  - The Committee shall receive reports from the principal executive and financial officers of the Company regarding: their evaluation of the effectiveness of the Company's disclosure controls and procedures and the Company's internal control over financial reporting; any significant deficiencies and internal weaknesses in the design or operation of internal

control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial information and whether they have identified for the outside auditors any material weaknesses in internal controls; any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting; and any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

- The Audit Committee shall establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and for the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

## **V. Meetings and Reports**

The Audit Committee shall meet at least four times annually and more frequently as necessary or appropriate, including teleconferences when appropriate. Special meetings of the Audit Committee may be called on one day's notice by the Chairman of the Board of Directors, the Chairman of the Audit Committee, or a majority of the members of the Audit Committee. The Audit Committee shall meet in separate executive sessions with the Company's management and the independent auditors annually or as otherwise required by applicable law or regulation. A majority of the Audit Committee shall constitute a quorum, and the Audit Committee shall act only on the affirmative vote of a majority of the members present at the meeting. Attendance by other directors and by members of management and financial and accounting personnel shall be at the invitation of the Audit Committee Chairman or a majority of the members of the Committee. The Audit Committee shall maintain minutes of all meetings documenting its activities and recommendations to the Board of Directors.

The Audit Committee shall report significant matters discussed, determinations made, and actions taken to the Board of Directors. The Audit Committee shall prepare the report of the Committee required to be included in the Company's proxy statement for its annual meeting of shareholders

The Audit Committee shall, at least annually, review and assess the performance of the Committee and its members. The Audit Committee shall report to the Board of Directors the results of its review and assessment and recommend any changes for the approval of the Board.

Adopted February 24, 2010